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T H E S I S

Insurance, an Informational Unit for Junior High School Mathematics

by

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(B.S. in Ed., B. U. School of Education, 1934)

Submitted in partial fulfilment of the requirements
for the degree of

MASTER OF EDUCATION

1 9 3 8

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INTRODUCTION

REFLECTIVE THINKING IN EDUCATION - True reflective thinking, or scientific thinking, has made great strides in the different branches of human research and endeavor. In medicine, law, engineering, and the sciences, much knowledge has been gained in a comparatively short time. The type of thinking brought to bear upon these problems accounts to a large degree for the progress that has been made. In this connection, we read that, "When thought is bent on solving a problem, or finding out the meaning of a perplexing situation, or reaching a conclusion that is trustworthy, it is to be distinguished from other types of mental activity, and should be called reflection."(1) Dewey refers to "active, persistent, and careful consideration of any belief or supposed form of knowledge in the light of the grounds that support it and the further conclusion to which it tends," as reflective thinking. (2)

In arithmetic problem work, efforts are now being made to have problems taken from the life situations of the child, and to eliminate all other problems. In many of the studies that have been made of the difficulties involved in written problems, there has been little progress due to insufficient data gathered, or to finding the wrong solution to the revealed difficulty. In this connection, most educators will agree that,

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(1) Columbia Associates in Philosophy, An Introduction to Reflective Thinking, p.2. Houghton Mifflin Co., Boston, 1921.

(2) Dewey, John, How We Think, p.6. Dutton & Co. N.Y.

"Research should be set up in all of its details so as not to anticipate the conclusions. Final conclusions that are adverse to the wishes or bias of the researcher should have equal opportunity of being established."(1)

There has been no essential change in written arithmetic problems in a hundred years.(2) A scheme of illustrative problems in different fields, with solutions attached, was set up by Pike, in one of the first Arithmetics in America, in order to provide a hand-book for merchants and business men generally. Directly this plan was introduced into the schools, the solutions were omitted, and we had as a result a set-up of written problems in various fields widely removed from the experience of the children.

In the absence of reflective thinking as to the purpose or aim behind this type of material, it became traditionally accepted as the written problem work in arithmetic. Many of the recent attempts to explain why children fail in written problem work in arithmetic have been unprofitable because they have left this traditional set-up of written problem work untouched, assuming apparently that there could be no question raised on the type of work attempted in written problems.

Hydle and Clapp, and Brownell and Stretch, while making valuable findings in their arithmetic problem solving studies, missed the main point, because they did not see beyond

(1) Wilson, G.M., Suggested standards for summarizing and reporting applied to two recent summaries of studies in arithmetic. Journal of Ed. Research, November 1934. p.187.
(2) Reference- Wilson, G.M., Criteria of the written problem, Education, April, 1934, p. 457.

the traditional forms of problem work. Osburn, in his problem-solving study, defeated his own purpose when he introduced the scheme of using "CUES" in solving problems; for obviously when a cue is introduced, reflective thinking departs. These three studies and others are ably discussed in Miss Lucy Hennigar's Master's Thesis, Boston University, School of Education, 1935. References for these studies and similar ones are listed below.(1)

"These studies, all reinforce the view that the old types of written problems have become a tradition, having characteristics that should be discarded. In the text books now in use, we find that the problems are isolated in content in relation to one another, are devoid of situations that occur in the child's life, show lack of judgment as to amounts, sizes, current prices, and family income actually to be met in life, and provide no experience opportunities. This type of written problem, reflective thinking suggests, must be abandoned. The apothesis of solving problems for mental discipline can no longer be considered practicable."(2) Written problems must call for thinking and judgment which can be developed only through experience. This new type of problem must so rest upon experience that judg-

(1) Hydle and Clapp, Elements of difficulty in the interpretation of contrete problems in Arithmetic. University of Wisconsin, Bureau of Education. Research Bulletin No.9.

Brownell and Stretch, The effect of unfamiliar settings on problem solving. Duke University Press, 1931. p.3-86.

Osburn, W.J., Corrective Arithmetic, Vol.II. Houghton Mifflin, Boston, 1922.

Hennigar, L.L., Informational units in arithmetic for sixth grade, - certain phases of the family budget. Boston University School of Ed., 1935. Master's Thesis.

(2) Wilson, G.M. Lecture Notes. B.U.1934-35.

ment becomes not only possible but the chief consideration. That judgment is necessary is apparent also from the fact that an adult figures only when he knows enough to use judgment.

We can therefore understand and accept as valid the conclusions that,"the isolated written problem of the usual type should disappear and be replaced from the child's own experience; the written problem should be based upon large sizable thinking situations, and usually developed in the local community; they should be well within the comprehension of the child, and should appeal strongly to his interests; they should not be primarily computational, but informational; they should develop understanding of business and judgment in the expenditure and use of money."(1) It seems clear that if these conclusions are followed, we shall turn out students from our schools better equipped to solve such economic situations as they are likely to meet.

In this study, it is my intention to follow along the path indicated by the conclusions quoted above, in developing an informational unit in insurance according to those standards, but with one major modification. The major modification is the use of the Appreciation Technique as the chief technique, making the Problem Technique secondary. It is essentially an informational unit, and quite beyond the usual experience of the Junior High School pupil. The Appreciation Technique will permit a view of the needed information in an easy and informal manner, but the Problem Technique, in a secondary role, should make the problem nature apparent.

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(1) Wilson, G.M., What Arithmetic Shall We Teach, p. 118. Riverside Press, Cambridge, 1926.

IMPORTANCE OF THE PROBLEM OF INSURANCE - It is readily understandable that the problem of insurance meets the fundamental requirements of a written problem unit, namely, that it is a "large sizable thinking situation usually developed in the local community;" that it may be made "well within the comprehension of the child and appeal strongly to his interests; that it is not primarily computational, but informational; and that it should develop understanding of business and judgment in the expenditure and use of money."

The average child in junior high school knows something of insurance. Life insurance, fire insurance, automobile insurance, and accident insurance so meet the needs of everyday life that they are discussed in the ordinary home. The children are very apt to have personal experience in the home in paying premiums and receiving insurance money. With the right teaching technique, the problem of insurance will appeal strongly to his interests. As each child will probably have future obligations in the matter of life insurance if he has dependents, of fire insurance and theft insurance if he owns property, of accident insurance for his own protection, and for automobile insurance if he owns a car, he should be familiar with the different aspects of the problem. As the insurance companies do practically all the computation, the teaching time should be spent largely on the informational and appreciative side of the problem.

Furthermore, as children go into the business world, they should understand that in the development and conduct of any business, insurance is a major item. In the professions,

the doctors and dentists are insured for liability covering negligence and malpractice. The business man finds himself confronted with many forms of necessary protection as fire, theft, accident, plate glass breakage, and workmen's compensations. Special types of business need special forms of insurance, as the druggist, who insures against mistakes in compounding prescriptions and injury from foreign substances. The restaurant owner has the problem of injury from foreign substances, cracked glass, and so on. In developing an understanding of business, insurance would have to be taken into consideration, as good judgment in the expenditure and use of money connotes adequate insurance in its different forms.

It would appear, therefore, that as insurance is bound to be a problem in the child's future private and vocational life, it should find a place in economic text books, reference books and junior high school mathematics. The approach through arithmetic has distinct advantages. It will insure bringing the subject to the attention of all pupils. More time will be available. The approach through arithmetic will be more objective, more personal, and will call for figured schedules for a typical family.

STUDY OF ECONOMIC TEXT BOOKS ON THIS PROBLEM - From my examination of twenty economic texts and reference books on a library shelf in one junior high school, I discovered that the average number of pages devoted to insurance was five, ranging from none to twenty. It is needless to point out that if the different forms of insurance, the trend of social insurance, and

the other important aspects of insurance were covered, five pages would be wholly inadequate. The fact that so little is found in this type of book would lead one to wonder if our people as a whole are sufficiently insurance-conscious. Besides the paucity of material, the type of material does not tend to build up the interests of the child or to lay the foundation for that "carry-over" of interest that is so important in this type of teaching. There is opportunity here for illustrative material in story-form telling of actual situations, noting happy and unhappy results, bearing challenges to further thinking and reading on the subject, giving opportunity for a tie-up with present home situations, and furnishing an interest in the current news.

AIM - The aim of this unit is, primarily, to give to both the teacher and the pupil in junior high school a background of appreciation of insurance in its many forms. The unit aims to serve as a basis for the student to understand the forms of insurance with which he, personally, will come in contact, so as to realize, first, his own future responsibility in so far as life, fire, accident, and automobile insurances are concerned, and second, to know the kinds of insurance that will be best suited to meet his future needs. Finally, it aims to give the pupil sufficient mathematical ability to understand and compute the finances of insurance as they directly concern him.

PLAN OF TREATMENT IN THE DEVELOPMENT OF THIS STUDY - As it is the purpose of this study to set forth the background necessary for the teaching of insurance, to indicate the methods

of teaching that might be successfully used, and to demonstrate in some detail judgment and computation in insurance, this study is divided into three major parts. The first part, information for teachers, aims to give a needed background in the subject. There is included in this part a definition of the unit and a definition of insurance as herein used. Then follows a history of all the different types of insurance. So interesting did the writer find this, that the material included here is selective from the viewpoint of real appreciation.

Part one also comprises a discussion of the two main types of insurance companies and includes life insurance in all its different forms, automobile, fire, rain and hail, burglary and theft, accident and health, workmen's compensation, professional liability, and miscellaneous types of insurance. This part describes the type of policy one may buy and differentiates among the numberless types. Included, also, is a discussion of the basic principles of insurance, comprising the basis of insurance, the work of the actuary, and the meaning of loading.

Part two describes the method of teaching this unit. A short discussion of teaching methods is followed by an explanation of how to use the appreciation technique in this particular unit. The problem technique assumes a secondary role.

Part three, judgment and computation in insurance, is so planned that the pupils may have ample opportunity to use judgment in the selection of insurance and be able to find out what such insurance will cost. To this end there is included tables of insurance covering all the phases the child is apt to

need. Each table is followed by practice examples to facilitate the work that is to come. In order to make the study of practical value, family incomes in varying brackets are used, from incomes under $1500 to an income of $5000. Plans for insurance higher than this should really be done by an expert. In each bracket.(incomes under $1500, $1500, $2000, $3000, and $5000,) typical families have been selected and an insurance program for each family is offered. Budgeting is necessarily considered and an opportunity is given the pupils to allocate a definite part of each income to insurance, and decide what kind of insurance to buy and how much. The budget, the families, and the insurance programs are herein arbitrarily selected with due regard for common sense and judgment. In the higher brackets of income, automobile insurance, fire and theft insurance, liability, and accident insurance are considered in addition to life insurance for the different families. Practice is given in judging and computing these types of insurance also.

From this procedure, this study aims to point the way toward giving to the pupil an interesting fund of knowledge concerning insurance, an idea of how much of the family budget should be devoted to insurance, skill in reading insurance charts, an idea of insurance costs, and some judgment in deciding what kind and how much insurance families should carry.

PART I
INFORMATION FOR TEACHERS
CHAPTER I

This chapter of information for teachers is designed to supply in a concise and readable manner, a necessary background in the different aspects of insurance. From this chapter the teacher may readily obtain the salient points in the subject with which the pupils should become familiar, before attempting judgment and computation in insurance:

DEFINITION OF THIS UNIT - This unit is defined as an informational unit of work for Junior High School, from an appreciation viewpoint. The term "insurance" is here used blanket fashion to cover those forms of ordinary insurance with which a child may reasonably be expected to come in contact, such as life, fire, and theft, automobile, and accident insurance.

DEFINITION OF THE TERM "INSURANCE" - Although much of this data on insurance would not be taught to pupils of Junior High School age, nevertheless, a teacher of the subject, obviously, should have as rich a background as possible. The content here, is by no means complete or exhaustive, but an attempt is made to touch on the important phases with accurate sources of information. Incidentally, so interested has the writer become in this subject, that a redistribution is now taking place in her family budget to include additional life insurance.

A formal definition is not advocated for the pupils, but a clear understanding of the term should grow out ofusage. For comparison there is listed some definitions of the term

"insurance". R. O. Hughes, in his text book on Economic Citizenship writes, "Insurance may be defined as any form of safeguard in the case of emergencies." (1) Roantree and Taylor write, "The agreement whereby one party, properly authorized by law, promises to reimburse another in case of loss or damages inflicted, is called insurance."(2) Rogers and Thompson, from a more legal viewpoint, write, "Insurance is defined as a contract whereby for a stipulated consideration one party undertakes to compensate the other for damage to a particular subject resulting from a specified peril."(3) Burgess, Lyons, and Cox have this definition: "Insurance is a form of contract by which one party in consideration of a sum of money, agrees to reimburse another party in the event of the loss of, or injury to, or death of, the subject matter specified in the contract." (4) In contrast to this, W.W.Soper from an economic viewpoint says, "Insurance is the equalization of fortune or the alliance of prudent men against misfortune."(5) Along the same trend, Zartman and Price say, "Complete insurance, in the economic sense is the accumulation of funds for uncertain losses, and the combination

(1) Hughes, R. O., Economic Citizenship, p.324. Allyn & Bacon Co. Boston, 1933.

(2) Roantree, W.F. and Taylor, M.S., An Arithmetic for Teachers, p.4. MacMillan Co,N. Y. 1932.

(3) Rogers and Thompson, Gano's Commercial Law, Rev, p.237. American Book Co., Boston, 1929.

(4) Burgess, Lyons and Cox, The New Burgess Comm. Law, p.437. Lyons and Carnahan, Chicago. 1931.

(5) Soper, W. W., Economic Citizenship, p.261. MacMillan Co., N. Y. 1933.

of the risks of individuals in a group." They define insurance "as that social device for making accumulations to meet uncertain losses of capital, which is carried out through the transfer of the risks of many individuals to one person or to a group of persons."(1)

These definitions are not practical for a classroom, nor is there much reason for teaching definitions, per se. Our aim should rather be to have a good understanding of what the term connotes. It might be interesting to note that in the vocabulary test of the Stanford revision of the Binet-Simon Tests, the word "insure" occurs. In looking over some of the results of the tests, I find that a nine year old girl said insure meant, "Policy for children, when you grow up you get money." Her sister, ten years old said, "To insure a car." A girl eleven said, "Money you pay in case of an accident, if you die the benefactor gets the money." A twelve year old boy said, "To put money on something, as a house, if damaged, they pay for the damage." A girl fourteen said, "To protect", and a girl sixteen, "To safeguard". A teacher, at the end of the unit might suggest that the pupils make up their own description of the term.

The history of insurance is interesting and entertaining. It reads like a story book. It has changed and developed with the times and the transition is still going on.

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(1) Yale Readings in Insurance, p. 8, Zartman & Price. Yale University Press, New Haven, Conn. 1914.

The good record of insurance companies during the depression years is helping to further this development.

HISTORY OF MARINE INSURANCE - Historians seem to agree that marine insurance was the first form in which any insurance appeared. They do not seem to agree just where it did start. Roantree and Taylor state, "The first appearance of insurance in business life may be said to be the marine loans of the Greeks. Money was advanced on a ship or cargo to be repaid with large interest if the voyage was prosperous, but not repaid at all if the ship was lost. The direct insurance of sea risks for a premium paid independently of loans began in Belgium about A. D. 1300."(1) Zartman and Price state that "the first appearance of marine insurance was among the Lombard merchants in Italy in the twelfth and thirteenth centuries and spread to Flanders, Portugal, and Spain in the fourteenth and fifteenth centuries."(2)

During the next hundred years, marine insurance grew. Marine insurance was carried on in London by the Lombard merchants. There were stated hours for the merchants and ship owners to meet with individual underwriters. Lloyd's Coffee House finally came to be the meeting place for writing marine insurance. This was at the end of the seventeenth century. There did not seem to be any definite laws governing marine insurance at this time, but Lloyds built up from mercantile

(1) Roantree and Taylor, An Arithmetic for Teachers, p. 424 MacMillan, N. Y. 1932.

(2) Zartman and Price, Yale Readings in Insurance. p. 1. Yale University Press, New Haven, Conn. 1914.

custom and experience, a body of rules known as"Usages of Lloyds." With the help of this, Lord Mansfield, chief justice of the Queen's Bench in 1756 made a study of marine laws, rules, and usages, formulating a basis of law for policies. Marine insurance was established early in commercial dealings in the American colonies. This business was carried on through underwriters of Great Britain and as the trade of the early colonies was small, no British agency was established until later. In 1721, private underwriters were in existence in Philadelphia. The commerce of the United States increased steadily and so did the marine insurance companies. This condition continued until after the Civil War, when for various reasons, American shipping declined and "whatever be the prevailing cause the fact remains that during the last half of the nineteenth century the large majority of the American marine insurance companies retired from business or were absorbed by more prosperous rivals, so that there are today in existence,only a few of those which were engaged in business a half century ago."(1)

An interesting difference, which affects its history, is pointed out between marine insurance and other insurances. "Fire insurance provides against loss occasioned by a single occurrence. Life insurance insures against an event, the occurrence of which is inevitable, and the risk concerning which has been approximately measured by the application of the law of average to accumulated data. Marine insurance, however,

(1) Dunham, Sylvester C., The Business of Insurance, pp 234, 235. Article by Benjamin Rush. Ronald Press Co., N. Y. 1912

undertakes to indemnify a person against the loss of a ship, goods, freight, anticipated profits, or any other insurable interest, through any of the numerous perils and adventures connected with navigation, such as the perils of the sea, fires, collisions, pirates, thieves, seizures and restraints, jettisons, barratry of the master or mariners, and all other perils, losses or misfortunes, which might be assumed by the policy.... Success depends largely upon the native sagacity, the keenness for observation, and the general specialized ability of the individual underwriter to know not only men, but the effect of climate, seasons, geographical localities and numerous other considerations upon any of a large number of risks, as in marine insurance."(1)

HISTORY OF FIRE INSURANCE - Fire insurance may be traced in its history back to the era before Christ. As early as 565 B. C., in Assyria and the East some provision was made for loss by fire in the different communes. A fund was established from contributions from each member of the commune. If a member were too poor to pay his share, the other members paid it. In case of fire, after the magistrate determined if the fire were accidental, money was provided from the fund to repair or rebuild. These communes still exist in China. In some sections, the common fund was used to pay the poor man's share and taxes were levied on all other members after a fire had occurred. This type of insurance seems to have existed for

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(1) Zartman and Price, Yale Readings in Insurance, pp.1,2. Yale University Press, New Haven, Conn. 1914

hundreds of years. In the eleventh century there is evidence of a form of state insurance. In Flanders, in case of fire, all citizens of the state were taxed. Germany still carries on this type of insurance. Later in 1635 and 1638, interest was shown in England when during the reign of Charles 2nd, the citizens petitioned the king for the right to insure houses against fire. The petition seems to have been approved, but no action was taken.

The great fire of London occurred in 1666. The fire burned for four days and nights and burned about an area of 435 acres. Eighty-five per cent of all the buildings in that area, a total of 13,200 houses, were destroyed and the damage was over ten million pounds. The fire was finally stopped by blowing up buildings in the path of the flames. Eaton and Hewes tell us in the following statement of Mr. Samuel Pepys' description of the great fire: Pepys, that prince of gossips, was of course on hand, burning the soles of his shoes, as he tells us, climbing over the debris in his eagerness to acquire information. He writes that the fire came after a great drought, and that the wind was high. If we are to believe Pepys, it was at his suggestion to the king (Charles 2nd) that houses were destroyed to stop the fire. Following his account, we learn that goods removed from houses were mainly put into lighters at the wharves and that the churches were used for the reception of movables. "On the second day Mr. Pepys had himself to move and he tells us: 'About four o'clock in the morning my Lady Batten sent me a cart to carry away all my money and plate and best

things to Sir W. Rider's at Bethnall green, which I did,--and Lord! to see how the streets and the highways are crowded with people running and riding and getting of carts at any rate to fetch away things.' --- He (Pepys) tells us 'the very stones of the churches seemed to burn and the air appeared to be ignited.' It is worthy of note that Pepys in his statements regarding the fire - and they are ample - nowhere gives a hint that sufferers received any help from insurance monies. On the contrary his picture of the destitution is very marked. He says, 'I have met with many people undone, and more that have extraordinary great losses.'"(1)

The city of London was prostrate and as there was no insurance, replacement was slow. Even seven years later, over a thousand buildings had not been replaced. The fire started on September second, and for over a hundred years this day was observed as Fast Day. There was some agitation for fire insurance, but the people were so crushed by their losses that it was fourteen years before fire insurance was definitely established. In 1680, a private insurance company started a company called "The Fire Office" to insure houses against fire. A year later the common council of London decided to go into the insurance business and quoted rates much lower than those of "The Fire Office". The latter immediately reduced their rates to meet what they termed unfair competition. In another year the city abandoned its venture, cancelled all policies and it followed

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(1) Dunham, Sylvester C., The Business of Insurance, pp.29, 30. Article by Eaton & Hewes. Ronald Press Co.,N.Y. 1922

that the policy holders had difficulty getting back their money. In 1684, a mutual fire insurance company was started called "The Friendly Society". The subscribers had to pay for insurance, for upkeep or expenses, and an assessment depending on the losses. The idea of fire insurance was now definitely established. The oldest non-mutual fire insurance company in existence started in 1706. Charles Povey, the owner, called it the "London Insurance" and later changed it to the "Sun Fire Office". It was the first company to insure movable and personal property against fire.

It is interesting to note that the early fire insurance companies devised metal house plates to be securely fastened over the doors of those buildings they had insured against fire. Then they hired men and provided simple apparatus for extinguishing fires in or near those buildings. House plates were considered to be a proof that the company had assumed liability, said liability not in operation until the door plate was so affixed. These door plates came to be considered a mark of superiority and served as a basis of credit. The plates were evidence that the owner would not be ruined in case of fire. They are still used in some foreign countries. They were in use in this country until about twenty-five years ago, when they were abandoned. Some may still be seen in New England. The "Hand in Hand" company of Philadelphia issued the first door plate in this country. It portrayed four hands clasping wrists. Because this company would not insure houses that had trees in front of them as they impeded fire fighting, a new company, the

"Mutual Insurance" was formed. Their house mark was a green tree, cast in lead, fastened to a shield-shaped board.

Insurance conditions vary in other countries. In Germany, 40% of the fire insurance is carried by the government, although a stock company was established as early as 1812. State insurance collapsed in France after the French Revolution, and it is now carried on by private companies. However, in France, each person is considered liable for any damage caused by his fault, so he not only takes out insurance on his personal property, but against any claim of his landlord or neighbors.

In the history of the American colonies before the Revolution, records show that loss by fire was compensated by voluntary contributions of neighbors and friends. The pioneer city for insurance was Philadelphia, and it still continues to be the headquarts for large insurance companies. The first fire insurance company was the "Philadelphia Contributionship" formed in 1752. Two stock companies in Pennsylvania carrying on Marine insurance, started a fire insurance department. They differentiated between two classes of buildings. The first class provided for brick or stone houses or stores, with furniture and merchandise therein. The second class included buildings not wholly stone or brick and containing more highly inflammable merchandise. The first class cost 30 cents per hundred on an $8,000 policy and 45 cents for one not exceeding $16,000. The second class cost 75 cents per hundred. Today, fire insurance is figured on many classes and every risk and hazard are taken

into consideration. This will be more fully explained under the basis of insurance.

It is interesting to note one incident in this history, that happened over a hundred years ago. The Phoenix Company of London had an agent in Philadelphia. The foreign competition was not wanted, and in 1810, the legislature of Pennsylvania prohibited all insurance by foreign companies or by persons not citizens of the United States. The fine for breaking the law was $15,000, one half to go to the state and the other half to the informer of the transaction. Any person insuring with a foreign company was fined $500. The Phoenix Company stopped all operations here and also in New York, where similar legislation was enacted. As these stringent laws were seen to be unfair, they were finally rescinded and today there are in the United States 37 foreign insurance companies.

The psychology of insurance has changed with the times. In the early days, persons considered it a privilege to obtain insurance; today one is deluged with mail soliciting insurance. A man of bad reputation could not easily obtain insurance. Today, one might conclude that selection has been made less discriminately, judging from the number of arson suspicions and investigations. This seems especially true during depression periods, although the temptation might be greater.

United States has been fortunate in not having many great conflagrations. The major ones are shown in the following table: (1)

(1) Dunham, Sylvester C. The Business of Insurance, p. 37. Article by Eaton and Hewes. Ronald Press Co., N.Y. 1912.

New York	1835			$ 15,000,000
San Francisco	1851	(2 fires)	3,750 buildings	16,500,000
Chicago	1871		17,430 "	168,000,000
Boston	1872		1,776 "	75,000,000
Baltimore	1904		1,450 "	50,000,000
San Francisco	1906		-	350,000,000

The New York Fire of 1835 causing a loss of over $15,000,000 caused the bankruptcy of twenty-three of the twenty-six New York companies. The result was the establishing of companies more secure and better organized, with a much larger reserve, so that when the San Francisco disaster of 1906 causing a loss of over $350,000,000 occurred, the insurance companies weathered the losses far better than Chicago's $168,000,000 fire of 1871. This proves of course that much progress had been made in the security of companies during that time. One hopes that the inference is true that today's companies hold a still greater measure of security. State laws have helped to bring this about and the insurance companies, also, through their National Board of Fire Underwriters have made progress in evolving their Standard Policy and in establishing the Underwriters Laboratories of Chicago who work for fire prevention.

Two developments, the establishment of salvage companies and the forming of Adjustment bureaus have helped in later history. The salvage companies have experts to determine the best use and value of damaged stock; and the adjustment bureau acts for many companies, each having its own representative, thus saving the financial cost to each company which would otherwise have to maintain its own adjusters in every district, and assuring each company of systematic and efficient management of adjustments.

HISTORY OF ACCIDENT INSURANCE - In the field of accident insurance, England was again the pioneer. The venture, at first, was looked upon as hazardous and foolish. About 85 years ago, the Railway Passengers Assurance Company started issuing insurance tickets to the travelers. The first year they collected in premiums, about $7,000, the second year, $23,000, and the third year about $36,000. These tickets covered damages from injuries in railway accidents. After the fourth year the company decided to insure against every kind of personal accident. Many companies followed this pioneer in accident insurance. Correct estimates of possible risks would not be expected in the beginning, but the fact is that, "the rates compiled by the 'Railway Passengers' were so accurately calculated that they have been the basis of the charges made by competing concerns, not only in Great Britain, but in other parts of the world; also, their merit is proved by the fact that the originals are still the standard charges for the same benefits."(1)

The Employers Liability Act and the Workmen's Compensation Act came next, followed by insurance of servants by employers. The insurance companies followed up these types by offering insurance for burglary, automobile, plate glass, fidelity guarantee and public liability, and from these have spread numberless kinds of unusual insurances.

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(1) Dunham, Sylvester C., The Business of Insurance, Vol. 2. P. 5. Ronald Press Co., N. Y. 1912.

Following the issuance of insurance tickets for injuries in railway accidents, it was later conceded that getting a contagious disease in a public vehicle was as much of an accident as a broken leg, and finally an accident policy included insurance against typhoid, typhus, scarlet fever, and smallpox, and covered in fact a health policy. In England, after Parliament passed an act that certain infectious diseases must be reported to the health officer, it was possible to make charts showing probable percentages of occurrence and fatalities among those diseases, as well as the age of the person most susceptible.

In the United States, health policies came before accident policies, and in 1850, there are records of companies writing such policies. The English idea of selling insurance with the railway ticket proved popular here. An American, traveling in England, happened to buy one of the insurance tickets. He was most interested. He visited the head of the insurance company, who willingly furnished him with valuable information. He returned home and formed "The Travelers" insurance company. After the Civil War, great interest was taken in accident insurance and in a few years seventy companies were formed. After a series of railway and steamboat accidents, most of the companies were forced out of business. Gradually this type of insurance grew again as the necessity for it became more evident. Charts were made and statistics gathered.

In the United States, the following charts give some

idea of the enormous increase in the amount of business done in these types of insurance:(1)

Mutual Accident and Sick Benefit Associations

Year	No. of Companies	Premiums	Income
1901	102	$ 2,957,000	$ 3,201,000
1931	134	42,252,000	45,714,000

The trend in accident and health insurance has been toward an increase in participation on the part of the industrial as well as the professional group. There has been a development in group insurance that at present seems popular; a development in monthly-payment forms among the industrial classes which shows some growth; a development of the weekly payment forms so new that prediction as to its growth is impossible; and a newspaper form which one might consider in the light of advertising, a form which appears in the newspapers, and later is usually either dropped or transferred to an ordinary policy. Perhaps the greatest increase in business volume occurred through the development of the use of the automobile. Accident insurance was taken out voluntarily at first by many. Later, in Massachusetts, compulsory insurance laws were enacted, which at the present writing seem about to be revoked by the Massachusetts legislature.

So many changes have occurred in our way of living, it has been hard to standardize this type of insurance. A program for the future outlined by Mr. LaMont of the Metropolitan Life Insurance Company shows the trend and the problems confronting the insurance company and indirectly the

(1) Statistical Abstract of the United States, 1933, p.267. U. S. Government Printing Office, Washington,D.C. 1933.

public. "This program aims to reduce the large number of slightly varying policy forms; to simplify policies retained in portfolio; to standardize phraseology of the principal provisions; to secure through pooling of experience a broader and sounder basis of ascertaining costs; to maintain occupational classifications on a uniform basis that not only will be sound but will reflect the various changes that take place in business, industry, and other activities of life; to adjust premiums to costs as found necessary by experience; to encourage the sale of insurance not upon appeal to the emotions but upon the public need of general protection against misfortunes to which all are alike subject; to accelerate generally the rise of business to higher levels both as respects safe and scientific operation as a business and as respects creditable administration as a public service."(1)

HISTORY OF BURGLARY INSURANCE - Burglary insurance started in England in 1865 by J. H. Tilly, whose company was called "The Burglary Insurance Co." A short time later, the first was started in the United States and was called "The American Protective Mutual Insurance Company against Burglary" of Reading, Pa. For the next fifty years not much progress is recorded. People did not seem to recognize the necessity of this type of insurance. By 1900, this belief began to diminish and policies began to increase materially.

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(1) LaMont, Stewart M., Accident and Health Insurance, Annals, May 1932, p.133. Huebner, S.S.(Editor) American Academy of Political and Social Science, Philadelphia, 1932.

The companies developed their policies in scope and included the insuring of merchandise against loss by theft, and the insuring of bankers against loss of money and securities. It also included residence and personal robbery insurance, safe deposit box insurance, and all kinds of mercantile burglary insurance.

Today the home owner usually insures against residence and personal robbery, covering jewels, silver, oriental rugs, paintings, furs, and other valuable possessions. Policies now, for an additional premium may be extended to cover the assured safety deposit box and to some extent the garage, stables, or in the case of apartments, the basement, laundry and other rooms used in common. Premiums for apartment houses are higher as the risk is deemed greater.

Today, also, banks and banking firms find it necessary to include burglary insurance with their other necessary expenses. Blanket policies are furnished that cover many forms of losses, as, money carried outside of bank, day-time robbery, as raid, hold-up, or sneak thieves, night burglary, and a burglary known as an "inside job" presumably instigated or executed by a worker in the bank. That burglary insurance is now considered very important as shown by the following table:(1)

	No. of Companies (Approx.)	Total Premium Income (Approx.)
1900	5	$ 450,000
1910	30	2,781,000
1920	40	20,720,000
1930	90	35,494,000

(1) Sawyer, L.A., Burglary Insurance, Annals, 1932, p. 135. Huebner, S. S. (Editor) American Academy of Political and Social Science, Philadelphia, 1932.

Valuable statistics are now available for underwriters to use as a basis of computation. As the amount of losses vary with the economic conditions calculations are based on a general coverage of a period of years. The trend today is towards greater development. When the people are educated to the fact that loss by burglary is about 83 per cent as much as loss by fire, a greater expansion in burglary insurance will ensue.

HISTORY OF LIABILITY INSURANCE - Although as far back as history records go, the master was responsible for injuries or death suffered by his servants, no liability, as such, occurs in history until we read of it in England, the birthplace of insurance companies, in 1880. After the Liability Act was passed and later when the Compensation Acts of 1897 and 1906 were passed, employers, in order to meet their legal liabilities, took out insurance for that purpose. As a result, in 1909, there were 54 companies, in all, in Great Britain writing liability policies.

In United States, liability insurance started about fifty years ago. There was a limited scope covering only such injuries as resulted in death. Later and quite rapidly the industrial employers and the owners of public conveyances were deemed liable for injuries, and insurance of this kind increased. Now policies are written to cover Public Liability, General or Landlord's Liability, Vehicle Liability, Elevator Liability and various forms of other types.

After Massachusetts passed the Liability Loss Reserve Law in 1905, great strides were made in the scientific bases

necessary for the security of these insurance companies. By law, each company writing liability policies was required to submit in October of each year, the statistics as to their business transactions necessary to the formulation of a secure basis of computation. The law further demanded a reserve for unsettled losses based on these figures, so as to provide stabilization of the companies and security for the policy holders.

The following chart shows that the business of liability insurance was ninety times greater in 1906 than it was at its beginning twenty years previous:(1)

	Total premiums in U. S.
1887	$ 203,132
1887-1891	2,126,286
1891-1896	4,205,902
1896-1901	8,328,834
1901-1906	18,781,693

HISTORY OF LIFE INSURANCE - In the history of life insurance, it appears that annuities that now are being so extensively advertised, were probably the earliest form of life insurance. In Rome, in 230 A.D. and on through the centuries, annuities were sold on a totally unscientific basis. At the present time, the life insurance company seems to be able to offer annuities of attractive value with the necessary security.

The earliest known life insurance policy was drawn up for Wm. Gybbons at the Royal Exchange, London, on June 18, 1583. It was for a term of twelve months on the life of the insured and the amount was 383 pounds, 6 shillings, 8 pence. The premium was about $85 per thousand, about nine times what it would cost today if Mr. Gybbons were thirty-five years old.

(1) Dunham, Sylvester C., The Business of Insurance, p. 203. Article by De Leon, Edwin W. Ronald Press Co., N.Y. 1912

The policy was signed by sixteen underwriters and no mention was made of the age of the insured.

John Graunt was the pioneer in arriving at a workable knowledge of life insurance. In 1661, he published a table prepared from the mortality register of London, "showing 100 quick conceptions of how many die within six years, how many the next decade, and so on every decade up to 76."(1) Dr. Edmund Halley, using the mortality register of Breslau, Germany, prepared the first mortality table. At Breslau, Halley found records of 6,193 births and 5,869 deaths registered between 1687 and 1691. The city had no census of population, but Halley computed how many children at the end of their first year of life would die in their second year, and carried his reckoning on through old age. "He also discovered the method of using such a table in calculating values of life contingencies, recognizing the two elements, compound interest and life expectancy as the foundations of the theory of life contingencies."(2) Although this table was imperfect, it was used and improved.

In 1780, Dr. Richard Price, using the parish register of Northampton, compiled the Northampton Table of Mortality. This was used for over a hundred years as a computing basis. Another table compiled in 1825 was considered so nearly perfect

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(1) Roantree, W.F. and Taylor, M.S., An Arithmetic for Teachers, p. 425. MacMillan Co., New York, 1932.

(2) Roantree, W.F. and Taylor, M.S., An Arithmetic for Teachers, p. 425. MacMillan Co., New York, 1932.

that it was still in use in 1906. Insurance companies later compiled their own tables, although the tables of the Institute of Actuaries, 1872, are still considered authoritative, and the Actuarial Society of America is considered highly competent.

The earliest life insurance company was started in London, in 1699. Two companies later formed in 1729 and are still doing business. Early companies were established in Pennsylvania, New York, and Massachusetts. From 1840 to 1850, there was intense competition and companies grew careless about insuring people who were not above par physically. During the next twenty years, many failures occurred and people became skeptical. The acceptance of life insurance developed slowly, due to the failures of so many companies and to the superstitions connected with the taking out of life insurance. The superstitions have been discarded through education, and the failures have greatly diminished due to more scientific knowledge, greater reserve, and state laws. Massachusetts and New York led in the latter. Laws were passed after investigations were made in 1905, which regulated investments, handled dividends and expenses, and provided for state supervision. The development of the concept of life insurance from the idea of protecting widows and children to its present meaning of protection for widows and children, endowments that may be used as the insured so desires, annuities, and term insurance for the business man is most interesting.

The following chart shows the development of life

insurance in this country:(1)

LIFE INSURANCE IN FORCE IN THE UNITED STATES
(From the Life Insurance Year Book of the Spectator Co., Pa.)

Year	All Policies		Income	Payments	Assets
	no.	$1,000	$1,000	$1,000	$1,000
1925	97,629,440	71,642,128	3,017,800	1,246,169	11,537,615
1930	122,212,773	107,948,778	4,593,973	2,246,776	18,879,611
1933	113,469,594	97,985,044	4,622,292	3,016,434	20,895,726

New Life Insurance Purchased By Years (2)

Year	Ordinary	Industrial	Group	Total
	$1,000	$1,000	$1,000	$1,000
1915	1,747,199	697,532	47,122	2,491,853
1920	5,537,190	1,116,522	425,737	7,079,449
1925	7,372,090	2,359,174	998,784	10,730,048
1930	8,500,433	2,851,129	1,092,119	12,443,681
1933	5,134,522	2,320,874	357,874	7,812,602

The future history of life insurance seems to be favorable both for the company and the policy owner. William Law, president of the Penn Mutual Life Insurance Company writes, "Through epidemic of disease, or business depression, or confusion of thought, it (life insurance) stands firm and untroubled. While share values are shrinking, while corporations are cutting or omitting dividends, the institution of life insurance spreads its protection and benefits 'as the shadow of a great rock in a weary land'".(3)

A GLIMPSE INTO THE FUTURE would seem to portray the fact that the history of insurance is only in its beginning.

(1) The World Almanac, 1935. p.284. Edited by Robert Hunt Lyman. New York World-Telegram, New York, 1935.

(2) The World Almanac, 1935. p.284. Edited by Robert Hunt Lyman. New York World-Telegram, New York, 1935.

(3) Law, William A., Tendencies in Life Insurance Investment, The Annals, pp 12,13. Huebner, S.S. (Editor) American Academy of Political and Social Science, Philadelphia, 1932.

Every field of endeavor that is opened, brings with it uncertainty, losses, and liability, and the insurance companies automatically have a new field to cover. "In the field of business life insurance, Dr. Huebner has been quoted as saying, 'So-called business life insurance will experience an enormous development during the coming twenty-five years from the standpoint of business interruption protection, the creation and maintenance of credit, the accumulation of emergency funds to meet business activity, and the liquidation of partnership, stockholder, and sole proprietor interests'".(1)

Insurance has become so important that education in insurance has shown phenomenal growth. Some institutions require a course in insurance in certain major groups; others a general course in insurance for all business administration school students. In a survey made by S. S. Huebner and David McCahan, these findings are noted: "146 universities and colleges offer 337 courses in all. Fourteen per cent of all these courses were started prior to 1920; fifteen per cent between 1920 and 1924; twenty-four per cent between 1925 and 1929; and twenty per cent since 1930. --- Seventeen full-time and 219 part-time teachers are employed in insurance instruction during the current year.(1932)" (2)

In a brief, called "Professional Education in Life Underwriting" Mr. Clark, president of the American College of

(1) Tuckingham, C.A., Life Insurance for Business Purposes, p.5 Provident Mutual Life Insurance Co. 1934.

(2) Huebner and McCahan, Insurance Instruction in American Universities and Colleges, p.176. D.Appleton-Century Co., N.Y. 1933.

Underwriters, shows the steps taken by life underwriters and educators to place life underwriting objectively upon a professional basis. Trends toward placing underwriters of other types of insurance upon a professional basis are being developed.

Many forms of insurance are not covered by this history as for instance, business interruption, inland marine, fidelity and surety, aviation, veterans, and agricultural insurance. Many unusual policies are written. Some companies boast that they will insure against any damage or risk. Musicians (Kreisler) and skilled workers insure their fingers; dancers (Pavlowa) insure their feet; others insure their sight and hearing. Weather insurance is written, as for example, insuring against rain on an out-of-doors occasion (Athletic Association of Yale University), or against obscurity during an eclipse, or against train or boat punctuality. Insurance is offered by doctors to take care of a person by the year for a specified sum. A New York druggist offered a prescription insurance providing that by purchasing a card for $10.00, one family would be entitled to all of their prescriptions delivered for one full year. The New York State Board of Pharmacy forced the concern to withdraw their offer. The firm of Seabury and Johnson, sellers of surgical dressings offer to retail druggists a paid-up life insurance policy of $150.00 free with each purchase of $100.00 worth of merchandise. The underwriter is a company from Indiana. It would appear to be an experiment that time would have to decide as to its stability.

The depression has affected insurance in many ways. The Chart on page 31 shows a diminution in the number of new insurance policies. Many policies have been relinquished, and much borrowing has taken place. However, a current newspaper editorial states, "An encouraging report is made by the president of one of the big insurance companies. He finds that persons who have borrowed on their insurance policies are now paying back. He said there has been a steady increase since October in the cash repayment of money borrowed on the policies, and he adds that insurance companies in general are finding this to be the case. This is a definite sign that people once compelled to dip into every resource for ready cash are now a bit more flush. And it means better protection for more and more families."(1) Although some insurance companies have failed during the depression, failures have been negligible compared to business and bank failures.

Closely allied to the history of insurance is the history of prevention, covering prevention of illness, thereby prolonging life, prevention of accidents, burglary, fire, and all other risks and hazards that insurance policies cover. The insurance companies deserve recognition for their services in this field of endeavor.

The history of insurance companies from their inception in England and their spreading to United States, and

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Boston Post, March 20, 1935. Boston, Mass.

to all other countries, from their development along so many different lines, from their promise of development in the future, and from their importance in educational fields, and their service to so many different people, indicates that people in all walks of life and engaged in every endeavor are personally and vitally concerned in the various phases into which insurance companies have developed.

The history of insurance is by no means a closed book. The change from ordinary life insurance to endowment at 85 is one innovation. The tendency toward the development of annuities is probably the greatest current change. As economic conditions change, the policy of insurance companies will change to meet the new conditions, and new history will be in the making.

This history has evolved several types of insurance companies. One who intends to buy insurance should be aware particularly of the two most common types.

CHAPTER II

TYPES OF INSURANCE COMPANIES - KINDS OF INSURANCE.

TYPES OF INSURANCE COMPANIES - There are six types of insurance companies, the two most commonly known and described here are the stock company and the mutual company. There are also reciprocal, state, Lloyd's, and self-insurance companies.

The largest of these in number are the stock companies. A stock insurance company is a corporation of stockholders who participate in the profit and who contribute to the capital and surplus. The stockholders, at the beginning, contribute capital and surplus by buying shares. Their aim then is to expand the business and not only be able to pay all claims, but to earn a profit in which they all share proportionately. As the business increases, the risk lessens, thereby increasing the profits. So we find our large insurance companies doing business all over the United States. Besides expanding territorially to increase the premium income, they also expand in different kinds of insurance. The stock companies are active in making use of all preventive measures and in promoting good management to protect both the policy holder and the stockholder.

The mutual insurance company is the next largest type. These two types, the mutual and the stock companies cover a large percentage of all insurance companies. The mutual company is composed of people who are policy holders in that company. There are many types of mutual companies, as local

fire insurance, factory fire insurance, casualty insurance, and life insurance mutuals.

An example of a local farmer's mutual fire company might serve to show the rudiments of how mutual companies operate. Of course as the companies grow to be really large companies, the organization becomes much more complex. The leading local farmers organize, file an application with the proper state authority for a certain amount of insurance, perhaps from $50,000 to $125,000, and show evidence that 25% of the premiums have been paid in advance in cash. The company is then organized and a meeting of applicants or members is called and officers elected. Policies are issued by the newly elected secretary who is often the village postmaster, storekeeper, or bank clerk. Sometimes he receives a fee for each policy; and some companies prefer to pay him a salary. A board of directors decides on the various risks. In the beginning, the policy holder makes a small cash payment and gives his note for three or four times that amount. These notes are on call, as the policy holder is responsible for all losses. The moral hazard is negligible, as all know one another and know the qualifications of every applicant, and the value and condition of his property. These companies fail or succeed according to the number of fires. The fewer the fires, the lower the insurance rate. Large numbers of these companies are formed every year. If the fire losses are great, many are bound to fail. The taxes and overhead are negligible. In the large

insurance mutuals, the overhead may be just as high as the large stock company, as they require the same departments, similar clerical help, and as extensive advertising.

The factory fire mutual insurance companies are interesting in that they are formed primarily for prevention of fire; reimbursement for losses being entirely secondary. They have been successful because they have taken every precaution against fire; they insure only buildings of high standard of construction which do not classify as hazardous; and they are unusually alert in underwriting risks.

The life insurance mutuals have been the most successful of all the mutual companies. The reason is that the rates are based upon scientific tables. This type of company can offer to policy holders a dividend which is their share of surplus earnings. As is explained under the topic 'loading', the company takes good care to have the premiums cover sufficient surplus to make these dividends possible. A small company is really in the control of the policy holders, but in the large companies, the control practically rests with the office organization. Assessments may be charged policy holders if undue losses occur, although some mutual companies are now offering non-assessable policies. Large companies may do this when their financial stability warrants it.

Much has been written about the relative merits of the two types of companies. In general, it would seem that mutual life insurance companies offer more to the policy holder with the same degree of security as the stock company. The

opposite of this seems to be true of other types of insurance.(1)

KINDS OF INSURANCE - Although there are only two common types of insurance companies, the different kinds of insurances offered to the public, are many. As in our later development, we shall try to determine what kinds of insurance should be provided for in different brackets of income, the following information is recommended as a basis. From the viewpoint of appreciation, the writer has included information about life insurance, automobile, fire, rain and hail, burglary and theft, accident and health, workmen's compensation, and professional liability.

Life Insurance - Today, life insurance offers many different ways of meeting future obligations and financial desires. One writer says, "In plain language, your insurance policies may be said to act in these capacities: as your savings bank, as your trust fund, as your loan headquarters, as your emergency reserve, as your old-age pension, as your investment trust, as your estate builder and manager, as the fulfiller of your pet philanthropy, and as the most benevolent rich uncle a person could have!"(2)

It is interesting to note what some well-known men have written of insurance:

Calvin Coolidge: "There is no argument against the taking out of life insurance. It is established that the protection of one's family, or those near to him, is the one

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(1) For reference see: MacLean, Joseph B., Insurance, pp.19-30. McGraw Hill Book Co., N.Y. 1924.
Zartman and Price, Yale Readings in Insurance, pp.121-127. Yale University Press, New Haven, 1914.

(2) Giles, Ray, Your Money and Your Life Insurance, p.10-11. Harper Bros., N.Y. 1935.

thing most to be desired and there is no medium of protection that is better than life insurance. Our government has given close attention to the insurance companies, and they are on so sure a foundation that it is in substance a guaranty method of protection for our people."(1)

Benjamin Franklin: "A policy of life insurance is the cheapest and safest mode of making provision for one's family."(2)

Charles Evans Hughes: "As a young man I realized that there was one way a man without capital could protect his family from the vicissitudes of fortune, and make proper security against the day that comes to all, that was through life insurance."(1)

Herbert C. Hoover: "Insurance offers men and women an opportunity to pool the financial effects of the chance of misfortune, and is also a good medium for savings and investment. The wide distribution of insurance in this country is an invaluable factor in our daily life, and is, I believe, one of the finest results of our national development."(3)

Andrew W. Mellon: "The youth of the United States learned the value of life insurance during the great war and since then a great many of them have realized that it is their opportunity for them to provide for their loved ones in comfort despite the uncertainty of life itself."(3)

Insurance companies seem to offer policies to fit the wants of people in every walk of life. One insurance company writes 84 different policies. A policy may be definied as "a written instrument embodying a contract of insurance involving contingencies and probabilities."(4)

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(1) Soper, W. W., Economic Citizenship, p.274-275. Macmillan Co., New York, 1933.

(2) Giles, Ray, Your Money and Your Life Insurance, p. 13. Harper Bros., New York, 1935.

(3) Soper, W. W., Economic Citizenship, p. 274. Macmillan Co. New York, 1933.

(4) Dunham, Sylvester C., The Business of Insurance, p. 292. The Ronald Press Co., New York, 1912.

There are three parties to the contract. "The contracting parties are usually designated in this country as the insured, the subject upon whose life the policy is written; the insurer, the one who assumes the obligation to pay the insurance; and the beneficiary, the one to whom the insurance is paid in the event of death."(1) A policy is not in effect until it has been delivered and the premium paid.

In general, there are four standard types of life insurance policies, the ordinary life, the limited-payment life, the endowment, and the term insurance policies.

The ordinary life policy provides that the insured shall pay a definite premium as long as he lives, and the insurance will be paid at his death to his beneficiary. It is the cheapest form of permanent life insurance and is therefore attractive to the people who need protection with the smallest amount of expenditure. The purpose is to take care of dependents after the death of the wage-earner. In this type of insurance, the insured pays the same premium every year unless he is insured in a participating company. These companies pay a dividend from surplus which may be used to help pay the premium or may be left with the company to accumulate at compound interest finally to be used to pay the policy or to be added to the principal sum.

"If at old age, insurance premiums become a burden, the insured may cease paying premiums and accept the cash value

(1) Ibid, p. 293

or a paid-up policy for less than the face value or take extended insurance for the full amount of the face value for a temporary period, depending upon the number of premiums paid."(1)

The following table shows the value of these options at age 65 for a $1,000 ordinary life policy taken out at various ages in a participating company:"(2)

Issued at Age	Values at Age 65 of $1,000 Ordinary Life Policy			
	Cash Value	Paid-up Insurance	Extended Insurance of $1,000	
			Years	Days
25	$570	$788	15	145
30	550	760	14	235
35	525	725	13	268
40	488	675	12	227
45	441	610	11	87
50	378	522	9	180
55	290	402	7	92

The cost of ordinary life insurance per $1,000 at different ages will be found on page 95 , chart no. 111. The expected dividends will be found on chart no. V , page 104. The cash surrender value of these policies will be found on chart no.VII, page 116.

A new development in this type policy has arisen. Many of the larger companies at the present time are offering straight life policies for $5,000 and over, in multiples of $1,000. For policies under $5,000, there is offered instead an "endowment at 85" policy which means that if the insured is still living at 85 and has paid the premiums, he receives

(1) Schnedler, Wm. A., How to Get Ahead Financially, pp.107-108. Harper & Bros., New York, 1926.

(2) Ibid, p.108.



the face value of the policy.

The limited-payment life policy is the same as the ordinary life policy except that the premiums are paid over a specified number of years as ten, fifteen, twenty, twenty-five, or thirty years, at the end of which time, the policy is paid up. At the death of the insured, the face value is paid the beneficiary. If there are dividends, they may be applied to the premiums or they may be left with the company in which case they are added with interest to the face of the policy. If the insured dies before the specified number of years, the face value and any accrued dividends will then be paid. It is obvious that the premiums must be larger than in ordinary life insurance as they are limited in time to be paid and do not extend to the full life span.

A comparison of the average rates of several leading participating companies on $1,000 worth of insurance at age thirty will show the difference in the premiums to be paid:

Ordinary Life	$ 22.84
Fifteen-payment Life	39.16
Twenty-payment Life	32.42

It is to be noted that in these two types of insurance, the face value is paid only on the death of the insured, although a smaller cash surrender value may be paid.

If a man dies before the term of years is up, it will have cost him more for that insurance than if he had had ordinary life insurance. "For example, assume that a man 30 years old bought a $5,000 twenty-payment life policy in one of the participating companies and that he died at about age 49.

The total net premiums paid under this policy will have amounted to about $2,287, whereas he might have carried an ordinary life policy at a total cost of about $1,482. Obviously in this case he will have paid $805 more for his insurance than necessary."(1) However, under this plan he will not have to pay for insurance during his whole life time and he will be paying for it during his most productive years. It must not be overlooked that if the man has maintained a savings account, his savings will pay for the premiums when he gets older, and that it is during his most productive years that his expenses are usually greatest, and his protection most necessary, and that perhaps the cheapest insurance is best. The limited-payment life and the ordinary life policies may for a small additional premium carry a double indemnity clause. This policy will pay double the principal sum, if the insured is killed by accident. All accidental causes of death are not included.

The endowment insurance differs from ordinary life and limited-payment life in that the face value is payable at the end of the endowment term usually twenty or thirty years, but may be any number usually in multiples of fives, or maturing at a definite age of the insured, as sixty or sixty-five, or in the case of a fund for the education of children, at the age of entering college. The period for paying the premiums is shorter than in the ordinary life insurance, and as the face value must be paid at a certain time or at the death of the insured if he dies before the end of the insurance term, the

(1) Schnedler, Wm. A., How to Get Ahead Financially, p.109. Harper & Bros., New York, 1926.

premium must necessarily be higher than the ordinary life. Also, the premium for a ten-year endowment must be larger than for twenty years.

"Following is a comparison of the average rates of several leading participating companies on $1,000 worth of insurance written at age thirty:"(1)

Ordinary life	$ 22.84
Ten-year endowment	104.66
Fifteen-year endowment	67.55
Twenty-year endowment	49.50
Twenty-five-year endowment	39.08
Endowment at sixty-five	27.43

"Therefore, if a man can afford to pay a total premium of $228 (arbitrary amount) at age thirty, he can obtain approximately the following amounts of insurance protection:"(1)

Ordinary life	$ 10,000
Ten-year endowment	2,178
Fifteen-year endowment	3,375
Twenty-year endowment	4,600
Twenty-five-year endowment	5,834
Endowment at sixty-five	8,300

This table shows how much more expensive endowments are than ordinary life insurance. "Endowments are attractive to men and women whose salaries more than suffice for current needs."(2)

"Obviously, the endowment policy is not the kind of a policy for the salaried worker who has dependents and with only a limited amount to spend for insurance protection."(3)

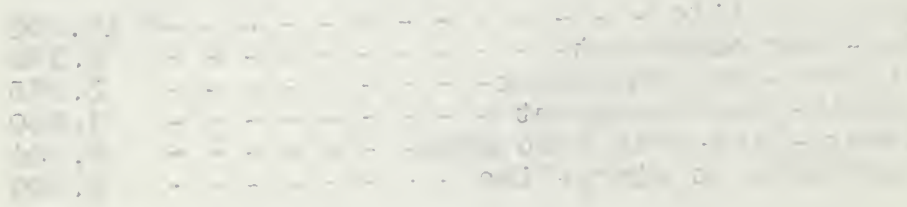
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(1) Schnedler, Wm. A., How to Get Ahead Financially, p. 113. Harper & Bros., New York, 1926.

(2) Dunham, Sylvester C., The Business of Insurance, p.298. The Ronald Press Co., New York, 1912.

(3) Ibid, p.114.





The term insurance policies are the cheapest of any life insurance policies, but they are purely for protection just as fire and theft are. At the end of the term, the policy is cancelled without any payment whatsoever. Depending upon the age at the time of insurance and the number of years the policy has run, there is a cash surrender and loan value which is necessarily small. Term insurance provides protection during the term of the policy. However, these policies may be converted into other forms of policies within a specified time prior to the end of the term, without another medical examination, but the age is reckoned from the then attained age of the insured or the premiums may be paid up from the day the term insurance was taken out and then continued on the basis of that earlier age. If the insured dies before the term expires, the beneficiary receives the face value of the policy.

The term policies are usually written for five, ten, fifteen or twenty years. Some are renewable for a like term to sixty-five years of age, but at each renewal the premium is based upon the then present age of the insured.

The term policy is recommended for people with dependents who need the maximum protection at the lowest cost. However, insurance companies reserve the right to have a selective list, usually professional, for this type of insurance.

A joint life insurance policy is offered by insurance companies which insures two or more people payable to a beneficiary in whom all are mutually interested. This is most frequently sold to business partners, as usually if one partner

dies, the other partner desires to purchase the latter's share. If a business is thought to be worth $10,000, the joint policy would cover this amount. An arrangement could be made whereby if one partner died, the insurance would be paid to his family, and the living partner would then own the entire business.

Group life insurance is offered to employers to cover all employees. Some policies insure all employees for a like amount, but others according to salary and length of service. This latter is more popular as it stimulates loyalty and good will and reduces labor turn-over.

Industrial life insurance is really a misnomer. It refers to that type of life insurance that is collected on a weekly basis. Because industrial workers with low wages are usually the ones who pay that way, it is called industrial insurance. The smallest weekly premium payable is five cents.

Annuities: The use of insurance as an investment seems to be a trend in the handling of money today. One form of investment that is being advertised widely and is meeting with considerable favor is the buying of an annuity. People have to face the fact that they may live to an advanced age and be unable to earn money. By buying an annuity with their savings they may produce a larger income than they could generally earn on other securities, as they may live on the principal as well as the interest, without danger of outliving the income; their income will be paid them as long as they live; the trouble of investing and reinvesting money at an advanced age is eliminated; and all trouble of collecting income is eliminated,

as checks are sent to reach the annuitant on the days provided in the contract. The following example illustrates one form of life annuity.

"Assume that a man reaches age sixty-five with investments worth $10,000, and that the cash value of his insurance is $4,000. Assume, further, that his wife is dead and his children no longer need his insurance protection or any other inheritance.

If he surrenders his insurance and accepts the cash value, the income from $14,000, will be about $700 or $840 per annum, if wisely invested to yield 5 per cent or 6 per cent interest. If this income is inadequate, then a single life annuity may be purchased with the $14,000 to yield an annual income of about $1,600.

This income will be paid as long as the man lives, even if he reaches ninety years of age; whereas if he invested $14,000 at 5 per cent and withdrew $1,600 each year, then he could be sure of this income only about twelve years after which he might be a dependent."(1)

This type of annuity, generally called the immediate annuity, will be paid as long as the annuitant lives, even though the total amount will exceed the amount invested. On the other hand, all payment ceases when the annuitant dies, regardless of the fact that he may have received only a small percentage of the amounts he invested. Insurance companies to offset this factor, are also offering a special life annuity

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(1) Schnedler, Wm. A., How to Get Ahead Financially, p. 145. Harper & Bros., New York, 1926.

which guarantees an income for life plus a death benefit in a lump sum for a beneficiary. Another type is called the refund annuity which continues the payments to the beneficiary until the amount invested is expended. In these cases, the income during life must necessarily be smaller. These modified forms of annuities differ among the many insurance companies, but the principle is practically the same.

The annual premium retirement annuity is still another form that encourages saving. This is usually bought in annual premium units of $100 or its multiples. The annuitant may start to draw his income at any one of a series of optional ages usually ranging from 50 to 70. At the time of his application, it is not necessary to indicate the exact age he wishes payments to start. This form has a cash surrender value and a death benefit. A similar policy is offered in $1,000 units.

Another form of annuity that has proved especially advisable for husband and wife is the joint and last survivor annuity. For example, "a man aged 65 and his wife aged 60 desire to buy a joint annuity income. For an advance payment of $16,619, a joint and survivor annuity will pay, as a minimum, an income of $1,000 per annum (subject to income by dividends) for as long as either husband or wife lives. Under the terms of a joint and one-third to survivor contract, an advance payment of $16,986 would give them a minimum joint income of $1,200 per annum, with $800 to be continued to either survivor."(1)

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(1) Equitable Life Annuities (participating)
Pamphlet of The Equitable Life Assurance Society of the United States, New York, 1934.

The value of the retirement annuity is described thus by one insurance company:

"My Retirement Annuity

. . . Will help me carry out that resolve to save money.

. . . Will pay me a life income beginning at a stated retirement age.

. . . Will pay me the income as I need it - the same mail that brings the monthly bills also bringing the money to pay them.

. . . Will provide an income which I cannot outlive, and if I secure a large enough retirement income in this way I can never exhaust the means of living in later years.

. . . Will improve my chances of health, happiness, and long life, because freedom from financial worries has a beneficial effect upon all three."(1)

Savings Bank Life Insurance in Massachusetts: In 1907, Massachusetts passed a savings bank insurance bill permitting savings banks to carry on life insurance. The idea was originated by Louis D. Brandeis, then a Boston lawyer, now a justice in the United States Supreme Court. The purpose was to issue life insurance policies at the lowest possible cost commensurate with security. There are now twenty-three savings banks in this state who issue life insurance policies.

Any resident of Massachusetts from the age of six months to seventy years and who can pass a medical examination is eligible for savings bank life insurance. The insured may

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(1) Your Retirement Annuity.
Pamphlet issued by the John Hancock Life Insurance Company, Boston, 1933.

move out of Massachusetts afterwards and still retain his policy. Premiums on life insurance policies today are being sent into Massachusetts banks from every state in the union and from many parts of the world.

Policies are issued from $50 to a maximum of $23,000. These are written in five different forms, the straight life, limited-payment life, endowment, five year term, and immediate and deferred annuities.

Over a period of years, savings bank life insurance averages about 25% cheaper on ordinary policies and about half the cost of weekly premium insurance. It is cheaper chiefly because no solicitors are engaged and because of low overhead.

A prospective buyer comparing this type with the usual type of insurance company must weigh in the balance on the one hand the lower cost of insurance and on the other, the security of these 23 savings banks as against the security of our many large private insurance companies.(1)

Veterans Life Insurance: At the beginning of the World War each veteran who had dependents was required to take out an insurance policy. Other veterans might avail themselves of this insurance if they so desired. The policies were written in multiples of $1,000, the minimum being $1,000 and the maximum $10,000.

After the war, it was optional whether to continue the insurance or not. Any insured veteran might carry on insurance

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(1) Reference material obtained from pamphlets issued by the Savings Bank Life Insurance of Massachusetts, State House, Boston.

Boston University

from $1,000, up to the amount he carried during the war, and in multiples of $500. These converted policies are in the form of ordinary life, twenty-payment life, thirty-payment life, twenty-year endowment, thirty-year endowment, endowment at age 62, and five-year level premium term policies.

They have a cash surrender value, and dividends from interest earnings in excess of the assumed rate of 3½ per cent per annum and savings on account of deferred mortality are declared annually and may either be paid in cash or left to accumulate specified interest. The depression has, of course, affected these dividends.

The premiums are more than those of savings bank life insurance including dividends, and less than insurance in private companies. The veterans' insurance premiums do not include any "loading". For a man 35 years old, the annual premium for ordinary life insurance in the veterans' insurance is $20.08; in savings bank life insurance, it is $23.90, and in an average of 31 of our large private insurance companies, it would be about $25.25. These figures would be lessened by applying dividends from participating companies. Although, in 1934, dividends on many veterans' policies were paid, none was paid on this type at this age. In the savings bank life insurance, the dividends brought the premium from $23.90 to $16.02, and in the average of the 31 companies, from $25.25 to $21.20.

"Officers and enlisted men now entering the active service under the War or Navy Department or Coast Guard Service

may apply for any one of the seven plans of converted insurance described (above) ... in multiples of $500. and not less than $1,000 or more than $10,000 within 120 days from date of enlistment or entrance into the active service and before retirement, discharge, or resignation."(1)

These many kinds of life insurance, which the children should know about in order to understand the kinds of policies they will need to use in computation, form an important part of the pupils' informational background. The following idea is offered as one which should be included in the life insurance data.

A grave error that an insured person should guard against is leaving to his beneficiary, if he or she has had no training in the handling and investing of money, the entire insurance in one sum. Such a person frequently becomes the victim of swindlers and the purpose of the insurance is defeated. "Authorities have established the fact that one-third of the vast sums paid in death claims is dissipated through the beneficiaries' inexperience, improvidence, or bad judgment."(2) To offset this danger, insurance companies offer instalment and income policies, whereby the beneficiary shall receive money in annual, semi-annual, quarterly, or monthly payments instead of in one sum.

From this discussion of life insurance which has the

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(1) Insurance Form 752, Information Regarding U. S. Government Life Insurance, p. 11. Veterans' Administration, Washington, D. C. Revised September 1933.

(2) Dunham, Sylvester, The Business of Insurance, p. 300. Ronald Press Co., New York, 1912.

most important role in the judgment and computation of insurance, we continue in our discussion of other kinds of insurance.

Automobile Insurance: With the remarkable growth of the automobile industry came a corresponding growth in automobile insurance. The automobile hazard is so great at the present time that injuries and death from automobile accidents in one year far exceed injuries and death from any other cause.

Compulsory insurance laws were enacted in Massachusetts to become effective January 1, 1927. It was agreed at that time that many innocent people were injured or killed and there was no redress against negligent drivers with no assets; also, that with compulsory insurance, there would be fewer accidents and lower rates of insurance. It is now argued that just the opposite has been the result. Drivers, knowing that their insurance companies would pay any damage they might cause, are accused of having become more negligent than ever. Injured people, knowing that there is available insurance, are said to have claimed more than is their due. At the present time, it is predicted that the compulsory laws will be canceled. The remedy has not been found except by recourse to the enforcement of the law, and injured victims will again pay the bill for negligent drivers who have no financial means and who carry no insurance. Many drivers would probably continue their insurance voluntarily, just as many did before the enactment of compulsory insurance laws.

The automobile public liability insurance covers personal injury and death. The policy is usually written for

$5,000 for any one person, and $10,000 for the limit for any one accident irrespective of the amount of the individual claims. "For example, under the lower limit, if one person presented a legal claim for $7,000, the company would pay $5,000 (the maximum indemnity for one individual) and the insured would be liable for the excess of the claim over the lower limit. However, if from one accident four claims of $5,500, $2,000, $1,000, and $1,000 were legally presented, the insurance company would pay $5,000 of the first claim and the full amount of the other three claims."(1)

Many people insure for more than $5,000 and $10,000 limits on the basis that the possible further liability is worth the protection of the added cost of higher premiums.

The premiums on this public liability are reckoned on the kind of car and the place where it is kept. The state is zoned and districts are rated according to accident history. The chart on page 131 shows the premiums and districts. A policy usually covers accidents on public highways within continental United States except Alaska and in Canada. For an added premium there is an extra territorial coverage that includes places other than the public highway such as private lanes, roads, drives or other private property. Policies usually cover defense service and paying expenses on court action and imperative first aid at time of accident.

The property damage liability is to cover property

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(1) Crobaugh, C. J. & Redding, A. E. Casualty Insurance, p. 289. Prentice-Hall, Inc., New York, 1929.

damage that the driver may cause through his carelessness or negligence. The standard limit of liability is $1,000, and for an additional premium may be increased as much as the individual owner deems necessary.

There are separate policies for automobiles used in business, for commercial purposes, for public conveyors, for automobile fleets (ten or more usually), for garage liability, and for hired cars.

Collision insurance is costly, as full coverage means that the insurance company is liable for the entire loss or damage caused by collision with a stationary or movable object. An owner may choose insurance in deductible forms of $50, $100, or $150, whereby the owner assumes all damage up to that stated amount and the company assumes all damage over that amount. If the owner has to pay part of the damage, it is reasoned that he will use care to avoid hitting garage doors, telephone poles, stone walls, and so on.

Fire, lightning, transportation, theft, tornado, cyclone, windstorm, earthquake, explosion, water damage, and hail coverage are often carried either separately or in full. The additional premium for this ranges from 10¢ to 50¢ per $100.

Fire Insurance: United States has an annual fire loss of over 500 million dollars and hundreds of millions are paid annually in premiums. In the early history of fire insurance, each company wrote out its own policies. The variations in the early policies covered many claims for losses to be settled in court. Each policy had to be interpreted separately and the

condition was far from satisfactory for all concerned. In 1881, a standard policy became mandatory in Massachusetts and this policy is used practically throughout the United States and is seldom modified, as each provision has gone through the process of judicial decision. A blank form of contract is deposited with the Superintendent of Insurance and each policy issued must agree with that as to blank spaces, size of type, context, provisions, and agreements. If there are any modifications, a special endorsement is attached.

Policies are effective and cancelled from noon to noon. In Massachusetts, noon means standard time. "The standard policy is so comprehensive and satisfying that out of a record of 15,000 cases (1912) only 15 had to be settled in court."(1) As statistics show that fires increase during depression periods, so also do court cases both for settlement of losses and suspicion of arson.

The standard policy covers:(2)

Description of property covered.

Risk assumed by the insurance company.

Procedure in connection with the adjustment of losses.

Contribution among the various insurance companies covering the same property.

Basis of valuation of losses.

Waiver.

Cancellation of the fire insurance policy.

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(1) Dunham, Sylvester C., The Business of Insurance, p.59. The Ronald Press Co., New York, 1912.

(2) For reference: See Ackerman, S.B., Insurance, pp.75-85. The Ronald Press Co., New York, 1928.

The principal source of income for the fire insurance company is its premiums. They must be sufficient to pay losses, expenses, taxes, and other overhead, and a fair income upon the capital invested. However, as conflagrations of great size are apt to occur at any time, the insurance company must set aside a fund, by "loading", to prepare for possible future conflagrations. Reference was made to this in a previous chapter. There seem to be periods of very high losses followed by low losses. During the former, rates usually go up and some companies fail; during the latter, rates go down to the point of speculation on account of keen competition. Policies are usually written for a three-year period, as the rates are lower than for single years.

Rates are determined by statistical history of experience. States are districted according to past history of fire losses. Hazardous zones entail higher premiums. Buildings are classified according to construction, occupancy, protection, and exposure. Under the heading construction, these items are considered: material, as frame, clay, brick, stone, cement, height and area, walls, ceilings, roof, skylights, opening through floors, partitions, and floors. Under the item occupancy are considered: merchandise of low combustibility as hardware, leather hides; and merchandise of high combustibility as matches, celluloid, gasoline, etc. Causes of occupancy include places of abode as single homes, apartments, hotels, meeting houses as churches, clubs, theaters, etc., and places where goods are sold. The premium for a store carrying low combustibles is higher if it is situated in a block of stores contain-

ing another store carrying high combustibles.

Some of the common fire hazards are power, fuel, heating, lighting, oils, drugs, acids, chemicals, paints, varnishes, benzine, naphtha, gasoline, turpentine, soldering, forges, fuel oil, oily waste, waste paper, matches and bonfires. Damagability of goods is also a consideration, as the merchandise of florists, milliners and art stores versus stores containing metal or canned goods.

There are certain risks which, on account of the difficulty in valuing the property and proving the loss, insurance companies will not take. They include accounts, bills, currency, money, notes, bullion, deeds, drawings, and patterns.

The insurance company will pay, besides damage caused by fire, the damage incurred by smoke or water incidental to the fire. Lightning clauses are included in some policies; in those that are not, the policy covers damage from fire caused by lightning. The fire insurance policies definitely state that the company shall not be liable beyond the actual value of the insured property at the time any loss or damage happens.

As soon as a loss occurs, the insured must give the insurance company necessary data. A form is given to fill out which furnishes these data.

The loss from fire has been so stupendous that much has been done for fire prevention. The government and the fire insurance companies have helped tremendously. One major step was in introducing a building code consisting of regulations requiring inspection of construction and inspection of

electric wiring. Most states and cities have a high-water pressure system, a paid fire department (replacing the volunteer fire department which sometimes necessitated getting the fire horses released from their ploughing duties to transfer to their fire duties) a fire marshal to act in case of arson, and police protection.

The individual may do much in fire prevention. This phase is usually well taken care of in "fire prevention week" in the schools, and in the current literature.

Gas and electric companies co-operate with the fire department. They have emergency trucks to respond to fires or to any emergency call that the fire department might make.

The fire insurance companies have made their greatest contribution in the field of educating the public. The National Board of Fire Underwriters have carried on a campaign to reduce fire losses. "Some of its important functions are as follows:

"1. To plan model building codes for cities.

"2. To make municipal surveys and advise the city concerning all matters of fire prevention and protection.

"3. To carry on campaigns against incendiarism.

"4. To introduce the idea of fire prevention in educational institutions and plan for the success of a national Fire Prevention Week.

"5. To conduct the Underwriters' Laboratories. These laboratories, of which the main office is in Chicago, will test for the manufacturer any commodity manufactured for the

prevention of fire or for protection against fire. If the device meets with the standards of the Underwriters' Laboratories, the manufacturer is permitted to place on certain commodities which he manufactures, the seal of the Underwriters' Laboratories which reads, 'Underwriters' Laboratories, Inc. Inspected.' Many owners of property under construction insist on the use of material with the seal of approval of these laboratories. It connotes the possibility of reduced fire rates."(1)

Burglary and Theft: Insurance covering burglary and theft has increased enormously owing to the increase in crime. "Periods of economic depression definitely seem to have some bearing on this crime factor. House robbers, bank robbers, safe openers, and hold-up men, often in well organized groups and equipped with the most modern inventions to offset the modern equipment of burglar alarms and safety devices, have stolen millions of dollars worth of negotiable property. The New York Insurance Department reports that premiums have increased from $3,202,901 in 1911 to $30,622,969 in 1926." (2)

"The following forms of burglary, robbery, theft, and larceny insurance policies are issued:

"1. Residence burglary, theft, and larceny which essentially covers loss of personal and household property by (a) burglary and (b) theft or larceny from within the premises

(1) Ackerman, S. B., Insurance, p.97. The Ronald Press Co. New York, 1928.

(2) Crobaugh, C. J. and Redding, A. E., Casualty Insurance, p. 571. Prentice-Hall, Inc., New York, 1929.

of the insured.

"2. Personal hold-up.

"3. Mercantile open stock burglary which essentially covers loss of merchandise by burglary when the premises are not open for business. This form is designed to cover merchandise in places such as stores, factories, and offices.

"4. Bank burglary and robbery which can be made to cover loss essentially due to (a) burglars forcibly entering a safe or vault; (b) robbery comitted against the bank employees or officers; (c) burglary of contents of safe deposit boxes.

"5. Mercantile safe, which essentially covers loss by manufacturers or merchants through the forcible entry of safes or vaults by burglars.

"6. Paymaster robbery, which essentially covers loss due to robbery of paymaster either inside or outside the premises while conveying or disbursing money intended for payroll use only.

"7. Messenger robbery, which essentially covers robbery of messengers while conveying property whether or not intended for payroll outside the premises only.

"8. Office or store robbery, which essentially covers robbery of custodians of the property inside of premises while the premises are open for business."(1)

On residence insurance there are different policies written, some covering 50%, some 80%, and some 100% blanket

(1) Ackerman, S. B., Insurance, pp.327,328. Ronald Press Co. New York, 1928.

coverage. There is also a divided coverage, dividing jewels, silver, and furs from other household goods and the indemnity is paid pro rata. Usually these policies also cover damage to property as locks, windows, furniture, and fixtures. Rates for private residences and two-family houses are less than for houses accommodating more than two families. Three year policies are written at reduced premiums. Rates also vary according to territory. United States is divided into eight territories. Massachusetts is in territory number 4.

The following example shows rates for the different territories based on the 50% divided coverage for $1,000 of indemnity for one year:(1)

Example of Territory	Territory	Premium
Chicago	1	$ 27.50
New York	2	22.00
Philadelphia	3	18.15
New Hampshire	4	12.10
Polk County, Ia	5	16.50
Balance of State of Iowa	6	11.00
Jackson County, Miss.	7	55.00
Los Angeles	8	33.00

The rate chart on page 134 illustrates further different policies for territory number 4.

Residence policies have been stressed as they will probably meet the life situations of the child most frequently. However, for motivation and appreciation, interest will probably be found in other types of burglary insurance.

Accident and Health Insurance: Accident and health policies are experiencing growth and evolution as are life

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(1) Crobaugh, C. J. & Redding, A. E., Casualty Insurance, p. 585. Prentice-Hall, Inc., New York, 1929.

insurance policies. "In probably no other branch of insurance has the genius of invention and the faculty of imagination played more important parts than in the development of the accident policy."(1) However, based on statistics being constantly compiled from history experience, both accident and health policies are being reduced to a scientific basis. Accident and illness prevention are also playing a large part in the field of insurance.

A detailed description of an accident and health insurance policy will show its principal provisions, but in general, an accident policy covers a certain amount for accidental loss of life. This is called the principal sum. Proportionate sums are allotted for such losses as one or more limbs, or loss of sight of one or both eyes, or other specified losses. As a rule, these losses must occur within ninety days of the accident. Specified sums are allotted for confining illness, hospitalization, and operations. The payments are made over a limited period as specified in the policy. Indemnity is usually paid by the week.

Accident policies are issued for three months, six months, or a year, and are then renewable. They are not life contracts like the life insurance contracts. Sometimes accident insurance is carried just to cover a particular journey.

Health insurance policies provide weekly indemnity for illness, double indemnity for hospitalization and stipulated

(1) Dunham, Sylvester C., The Business of Insurance, p. 21. The Ronald Press, New York, 1912.

indemnity for various operations.

Many policies cover both accident and health insurance. A general description of a current policy not including exceptions and minor details follows:

Principal Sum $2,000 (Arbitrary amount)

Monthly Accident Indemnity $200

Monthly Illness Indemnity $200

Accident Benefits:

Loss of life	$2,000	Principal Sum
Loss of either hand	1,000	1/2 " "
Loss of either foot	1,000	1/2 " "
Loss of either eye	666.67	1/3 " "
Loss of both hands, both eyes, both feet, one hand) and one foot, or one eye) and one foot, or one eye) and one hand)	4,000	Double the principal sum

Total Disability $200 per month for not longer than 5 consecutive years.

Partial Disability $100 per month for loss of time.

If any of above occur in) public conveyance or in) burning building) Double the indemnity.

Non-disabling injury - surgeon's fee - $10.00.

Illness Benefits:

Confining illness $200 a month not exceeding 8 consecutive months.

Tuberculosis, boils, felons, external abscesses) $200 a month not exceeding 3 consecutive months.

Non-confining Illness. $200 a month not exceeding 1 month.

(with certain provisions)

Permanent disability indemnity $2,000.

Accident and illness Benefits:

Hospital Confinement -	$400 a month not exceeding 8 consecutive months.
Surgical Operation	Specified lump sum, depending on operation as for instance: appendicitis $50., goitre, $100., etc.

This policy contains a reward for being a good risk. It provides that for each consecutive month immediately preceding the date of the accident that you have maintained this policy, a premium of one per cent shall be added to the indemnity for specific losses, all such additions not to exceed 50% of the original amount. Thus, if you hold your policy for 50 months without an accident and then an accident should occur, your principal sum would be $3,000 and your monthly indemnity $300.

The premium for this particular policy is $60. a year.

Professional men, particularly doctors and dentists, whose incomes cease when they are unable to work, find this type of insurance indispensable. Heads of families, whose income warrants it, usually take advantage of such insurance.

The teachers in Massachusetts are offered a group health and accident insurance which, for a premium of $13 a year has a principal sum of $500, and a weekly indemnity after the second week for a certain time, of $25 for injury from accident and $25. for illness if it occurs during school time for a certain number of weeks. Insurance for larger amounts may be carried under this plan.

So many accidents occurred in industry, that industrial insurance was taken out by individual workers. Later

insurance companies offered collective or group insurance. This is now carried by the employer, owing to the Workmen's Compensation Law. (This is described later under Liability.)

The American Association for Labor Legislation endorses the following: (1)

A. Compensation:

Medical attention

2/3 regular wages

$20.00 weekly maximum

$ 5.00 weekly minimum

Funeral expenses

1/3 wages to widow

B. Compensation to be the only remedy:

Neither employer nor employee may bring suit under law of negligence.

C. Exemptions from compensations:

Former laborers

Domestic servants

Hotels and restaurants excepted.

D. Employees given option as to method of insurance:

Mutual association.

Stock companies

State insurance

E. Compensation laws administered by personal accident board.

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(1) Thompson, Charles M., Elementary Economics, p.427, Benjamin H. Sanborn, Boston, 1934.

F. Methods of settling claims:

Arbitration

Accident board

Accident and health insurance have led directly to education along preventive lines. Industry has made great strides in accident prevention. In one corporation a prominent sign is displayed in six different languages:

"Notice to men seeking employment: Unless you are willing to be careful to avoid injury to yourself and fellow workmen , do not ask for employment. We do not want careless men in our employ."(1)

Large corporations and small ones too, are providing every means of prevention possible. Escaping steam carried through pipes to a high level, viaducts over tracks for pedestrians, rail signals, safety gates, safety valves, protected gears, belts, and saws, and eye protection are a few of the numerous prevention devices. Sanitary equipment, emergency rooms, and relief hospitals are maintained by many companies.

This chart shows how a safety campaign in a metal working plant reduced finger accidents.(2)

1919	Finger accidents	36
1920		13
1921		5

These records show that accident insurance besides compensation has provided a definite social improvement in industry.

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(1) Dunham, Sylvester C., The Business of Insurance, p.168. The Ronald Press Co., New York, 1912

(2) Tugwell, Monro, Stryker, American Economic Life, p.290. Harcourt, Brace & Co., New York, 1930.

Workmen's Compensation Insurance: In the history of industrial accidents we find that for years the employee or society bore the expense of injuries or death occurring during working hours. Finally an Employers' Liability Law gave some redress to the employee. Although five states still retain the old way, the other states seemed to agree that the problem was not solved and there developed the Workmen's Compensation Law which not only helped to pay for injuries and death, but also helped to prevent accidents. Since this law compels the employers to pay compensation, most of them took out group compensation insurance.

The policies cover temporary accidents, permanent partial injuries, as loss of an eye or finger, permanent total injuries with a specified sum for each loss, and for death. Many states also include liability for occupational diseases and policies cover these also.

The payments usually do not begin until a week after the injury and the employee usually receives only from 50% to 66 2/3% of his pay.

"In consideration of the premium, the insurance company makes the following important agreements:

"1. To pay benefits to employees in accordance with the law.
"2. To pay medical and surgical benefits.
"3. To defend the employer before the compensation commission. Should any action be brought by an employee at common law, the insurance company also agrees to defend such action and pay any judgment awarded.
"4. To furnish the insured with proper inspection service to reduce the causes of accidents."(1)

(1) Ackerman, S. B., Insurance, p.269. Ronald Press Co., New York, 1928.

"The policy gives the company the following important rights:

"1. The insurance company has the right to examine the books of the insured to determine the actual payroll expended during the time the policy was in force, and this right continues for one year after the expiration of the policy.
"2. The insurance company has the right to send an inspector into the insured's plant.
"3. The employer must co-operate with the insurance company in connection with any claim."(1)

The premiums for this type of insurance are computed in part according to the payroll. The rates are prepared by the National Council on Compensation Insurance, and must cover the cost of loss and "loading" as in life insurance. If an industry is considered a good risk, that is, all preventive factors have been taken into consideration and the morale of the employees is high, the premium will be lower than for a poor risk. The rate per $100 of remuneration on a standard policy is $1.71. There is some leeway in paying indemnities. A concern doing business for eight years had never had an accident serious enough to cause absence from work for more than a few days. Then, when an employee was injured and remained at home a month, the insurance company paid full wages.

An employer who does not take out compensation insurance is personally liable under the law to pay compensation.

Professional Liability Insurance: "Professional liability insurance, frequently referred to as malpractice liability insurance, may be defined as protection against losses through claims on account of bodily injuries or death based

(1) Ibid, pp269, 270.

upon actual or alleged malpractice, error, or mistake of the assured in the practice of his profession. The insurance policy furnishes indemnity to the policy holder against loss from the liability imposed by law as the result of such a suit. These policies cover claims for personal injuries or death but property damage is not covered."(1)

This class of liability covers physicians, surgeons, and dentists. Suits for actual or alleged errors and negligence are common, and most people in these professions carry liability insurance. Such occurrence as X-Ray burns, septicaemia, maladjustment of bones, and hemorrhage after extractions are sometimes causes for damage suits.

Druggists are insured against mistakes in compounding, labeling, and delivering prescriptions.

Hospital liability covers malpractice, errors, or neglect. The risks, now based on statistics, are carefully selected and cover specific occurrences and make exceptions of other definite occurrences. Insurance companies will not insure hospitals of questionable standing.

The optometrists' liability insurance covers possible suits for damage done by incorrect examining, prescribing, and fitting of glasses.

Beauty parlor insurance includes injury from manicuring, hair-dyeing, permanent waving, and so on. Not many companies are willing to write this class of policy and those that do make careful selections of the risks.

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(1) Crobaugh, C. J. & Redding, A. E., Casualty Insurance, p.464. Prentice-Hall Co., New York, 1928.

Professional liability policies are usually limited to $5,000 and $15,000. $5,000 is the limit for any one case, and $15,000 for all cases in one year.

Rain and Hail Insurance: "The following are a few examples of the events or business which may be rendered financial failures on account of rainfall: auction sales, amusement parks, baseball games, carnivals, celebrations, church fairs, dances, excursions, county and state fairs, football games, gasoline filling stations, mercantile sales, parades, prize fights, races, rodeos, and tag days."(1)

Sometimes the insurance contract specifies that there must be a minimum precipitation, usually 1/10 of an inch. Policies, today, specify that coverage is only for actual loss, not for the face of the policy. This type of rain insurance policy covers losses of income and for expense but not property damage. It also covers loss due to rain, snow, hail or sleet.

Hail insurance is a property damage contract. It covers for the most part crops, especially in the northern and western central states where probably the most hail damage is done.(2)

Other similar insurance contracts cover windstorm, tornado, cyclone, earthquake, explosion, and riot.

No detailed description is given of many other types of insurance such as owners, landlords, and tenants public

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(1) Ackerman, S. B., Insurance, p.125 Ronald Press Company, New York, 1928.

(2) Further reference: Ibid - Chap.VII.

liability, manufacturers and contractors liability, live stock, plate glass, steam boiler, sprinkler leakage, credit, titles and mortgages, and fidelity and surety bonds liability. Suggestions are later made for the use of some of these, but a description here seems unnecessary. Others in this list would probably not come into the life situation of the average child, but they help to enrich the background.

From the fact that insurance companies offer so many kinds of insurance, the underlying principles that make such a business profitable to the insurance companies and to the public are important.

CHAPTER III

As insurance is now rightfully considered a scientific subject, its basic principles are important. It is essential that the pupils shall understand these phases of insurance. So, in this chapter the basic principles of insurance are discussed. These include the basis of insurance, the work of the actuary, and loading.

BASIS OF INSURANCE - The question might reasonably be asked as to how insurance companies know what premiums they should charge a person who is twenty-five years of age or one who is forty-five, for a life insurance policy; or how companies decide on the premiums for fire or any other kind of insurance. In general, "large companies have been formed which make careful calculations concerning the chances of losses from various causes. On the basis of these calculations, the companies take small payments, called premiums, from a great number of persons and from the total of these repay losses that occur to any of the insured."(1) The fact that we and our property and every other person and his property are constantly subjected to hazards, large and small, which they can neither foresee nor avoid, but which should be provided against by compensation, is the principle upon which insurance is based. The concept is also present that a loss that would overwhelm an individual, can be borne by a large group without real distress.

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(1) Marshall and Lyon, Our Economic Organization, p.94. MacMillan Co., New York, 1932.

In order to have a stable basis for insurance it is necessary to determine with some degree of accuracy the degree of probability that an event will happen. It is impossible to determine the degree of probability directly, so the method used is to apply the theory of probability to the statistical results of past experiences. This varies in different years but a general average is taken. No matter how hazardous a risk a high enough premium will cover it. It is also true that the larger the number of risks, the more closely the degree of probability can be reckoned. A company should so reckon the probability of the insured occurrence, that if the loss actually affected a large number of the insured at the same time, the company could pay all losses. This is possible through a high enough premium and a large amount of accumulated reserve. "The essential conditions of insurance are (a) the presence of a large number of separate risks that can be combined, and (b) an event that can be determined by means of mathematical formulae. When these two conditions exist, it is possible to predict quite accurately the number and amount of losses that will be sustained in a year."(1)

Life insurance is based on as scientific data as it is possible to secure. From the death records in thousands of cities, mathematicians have constructed a table called a mortality table. It shows the average life expectancy of persons of various ages. The American mortality table, page 93,

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(1) Jenzen and Stephenson, Everyday Economics, p.314. Silver Burdett Co., Boston, 1934.

is figured upon a group of 100,000 persons starting at age ten. Each year, as this group passes through life a certain number is expected to die until all have died, the last ones at the age of 96. Life insurance rates are based on this table. For further security, a medical examination must be passed by each applicant. This table is later used in this study as a basis for information and a basis for computation.

Fire hazard computation is now considered to be on a scientific basis. There are five main points that are considered and the premiums are based on those considerations: the type of building, the use to which it is put, fire prevention measures taken, surrounding buildings, and condition of street and fire-fighting equipment of the town. These data are taken up in more detail later.

The basis of accident insurance has steadily improved in accuracy of computation. Automobile evolution created a problem for the insurance companies, but careful records have been kept of all kinds of hazards and the causes of seasonal and daily accidents, and the statistical departments have made valuable tables. The moral risk has proved a stumbling block and the enactment and cancellation of state laws make changes from time to time necessary. Aviation insurance is still in its infancy, but progress has been made in keeping careful statistical records for future bases.

In other types of insurance, statistics are carefully recorded from past history to form as scientific a basis as possible. In unusual insurances, the difficulty of forming a

secure basis is far greater, and the underwriter has to use a certain amount of common sense in arriving at a safe rate.

Besides a scientific record of probable liability, insurance is also based on the ability of the company to reduce the insured hazard. It is definitely within the province of the company and a legitimate form of expense to provide preventive measures, as for instance, inspecting boilers, providing fire patrols, private watchmen, Segal locks, medical examinations, appraisal of property, and determining as far as possible moral risks.

Another economic condition upon which insurance, other than life insurance, is based is that, "It is an essential feature of a perfect system of insurance that the occurrence of the event for whose economic consequences compensation is guaranteed shall never be a source of gain to the insured."(1) The insurance reimbursement should theoretically equal the loss. If more than the loss is paid, the insured might be tempted to wilfully destroy his property, or wilfully misrepresent the extent of physical injury and mental discomfort.

It is evident, therefore, that in the light of records computed on past occurrences, the basis of insurance is reckoned, taking into consideration certain economic factors that influence the scientific, mathematical computation.

LOADING - Another phase that is important is the principle of loading. In computing the premium to be charged on an insurance policy, the company takes into consideration

(1) Zartman and Price, Yale Readings in Insurance, p. 107. Yale University Press, New Haven, 1914.

all expenses. Obviously, the greatest expense is paying the claim of the insured. In life insurance, this is called the mortality element. Next is considered the home office expenses, which include the medical examination fee, the cost of writing the policy, allowance for clerical work, taxes, and advertising. The agents' expense is also reckoned. He receives a portion of the first premium and a small percentage for renewals. In the system of life insurance today, competition has developed the idea of giving returns to the policy holders in the form of dividends. This makes an attractive sales argument. Besides these expenses there are certain contingencies that must be taken into consideration. A stable company must provide sufficient income to have at hand in negotiable securities, to cover a disaster, as a disease epidemic or a serious conflagration. These expenses, and these contingencies, although unpredictable, must be recognized in determining the rate. When the rate proves to be more than necessary, dividends may be paid; if the fixed rate is smaller than is necessary, there is no source to draw from and the company finds itself in a precarious situation.

The method of loading varies and the percentage differs greatly in different companies. "A method which has come into great favor (in life insurance) is to load the net premium for the particular contract (based on the American Experience Table) with a certain percentage of itself and in addition, to add a certain percentage of the ordinary life net premium. For example, on a 20-Year Endowment the gross or office premium

might be made as follows, at the age of forty:"(1)

American 3% net premium for 20-Year Endowment -	$43.01
Add 12½% -	5.38
Add 12½% of net Ordinary Life ($24.75) -	3.09
Gross Premium	$51.48

There is still a great deal to take into consideration in reckoning the loading, as, for instance, computing on high and low ages, or between low-priced and high-priced policies. That is why a percentage basis on each policy is used. The loading for contingency purposes is largely a matter of opinion and will depend greatly on the size of the company.

The fact that such a large percentage of insurance companies weathered the depression proves that besides wise investments, these companies must have computed the loading high enough to keep their business stable. Although I find no mention of over-loading except that any surplus is usually returned in the form of dividends, I suppose exorbitant profit is curtailed by keen competition. The work entailed in deciding upon the premium to be charged brings us to our next phase of insurance.

THE WORK OF THE ACTUARY OR ACTUARIAL DEPARTMENT - This department is maintained mostly in life insurance companies, although there is a tendency now to have it in all lines of insurance. The purpose of this department is to prepare a scientific basis for rates and see that the company's operations are conducted on a sound theoretical basis. The actuary is an expert in this line, and as additional statistics are be-

(1) Dunham, Howard P., The Business of Insurance, p. 321. Ronald Press Co., New York, 1912

ing continually gathered, today, through the medium of this department, the element of chance in computing rates for each type of insurance is ably minimized. Besides computing the rates, the actuary determines the amount necessary for reserve, and makes careful calculations as to the amount the company can afford to pay in dividends. The actuary also helps to prepare the annual financial statement. He keeps records of the company's experiences of claims, so as to compare them with the scientific averages of the basic tables. As the financial security depends in a large measure on the computations, it is readily understandable how important are the functions of the actuary.

This department also takes care of the proper selection of risks. In life insurance, this department makes personal investigation of the applicant and supervises the medical reports and medical department. In accident insurance, it takes care of investigations of the risk incurred in issuing the desired policy; in fire insurance, it takes care of determining the fire hazard and the amount of fire prevention afforded; and so on through the list of types of insurance, the underwriters are experts on determining the extent of risk both personal and material.

This background of information, the books listed in the bibliography, and the abundance of insurance literature readily obtainable from the insurance companies give some of the sources from which the teacher may get the material used in the development of our next chapter - the method of teaching this unit.

PART II

METHOD OF TEACHING THIS UNIT

CHAPTER IV

TEACHING METHODS:(1) The question naturally arises, what shall we do with this material and how shall we accomplish our aim?

A brief survey of the major techniques of teaching might be profitable to find out what technique should be used. The drill technique is only applicable to material that will be used a great deal and which must be ready for automatic memory response. It is used for the "tool" subjects, such as the fundamentals of arithmetic or reading; and usually the quantity is small, so that one hundred per cent accuracy may be expected. The study of insurance would not come into this category.

The problem technique is used to solve current situations as found in civics, economics, and problems of daily life. This will constitute a proper and useful approach. There is the difficulty that for most children insurance is not a real problem. Any presentation of the unit may, and no doubt will, involve a measure of problem procedure.

The appreciation technique fits the requirements, all told, a little better. The appreciation technique involves the instilling of attitudes and ideals, the forming of a background of information and interest, the providing of an understanding

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(1) See complete references on Methods of Teaching, Bibliography, pp. 206-208.

in a life situation that has a definite "carry-over" into adult life. The appreciation technique seems to be the correct approach for this unit. The unit involves both economics and arithmetic. However, it is reasonable to include it as an arithmetic unit if one remembers that one aim of arithmetic is "to develop an understanding of business and judgment in the expenditure and use of money;"(1) that all children will have the opportunity in arithmetic classes of studying this problem, while in some curricula, economics is not studied by every pupil; and more time may be given in arithmetic classes than in economics classes. Therefore, this study will continue by developing the treatment of the subject, using the appreciation technique.

THE APPRECIATION TECHNIQUE IN TEACHING THIS UNIT: In taking up this informational unit, I should follow these steps in the appreciation technique:

"1. Creating an atmosphere of interest.
"2. Providing proper exposure.
"3. Subordinating fundamental or technical knowledge.
  (a) Mastery of technical or fundamental knowledge is not essential for appreciation. In fact, urging mastery of technique may lead to disgust or effects directly opposite to those intended.
  (b) Properly handled, a small amount of analysis will, for most pupils, increase the enjoyment.
"4. Providing for expression and growth. In various manners, such as:
  (a) Choosing
  (b) Repeating
  (c) Attempting to execute or create
  (d) Working in a group or a club."(2)

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(1) Wilson, G. M., What Arithmetic Shall We Teach, p.118. Riverside Press, Cambridge, 1926.

(2) N.E.A. 3rd report on the Evaluation of Instruction, p.49

In creating an atmosphere of interest, many suggestions might be made. Insurance companies offer many pictorial stories as a means to selling insurance. A display of them about the class room will awaken curiosity, which is one element in arousing interest. Stories of the benefits of insurance might be read.(1) Stories of this type that show how insurance protection not only helped in case of death, fire, burglary, accident, etc., but also how it actually prevented poverty, hardship, and deprivation. In all probability, the class will have many personal contributions. These would probably involve automobile, fire, life, burglary, or liability insurance. An interest in each of these types would be awakened, and the exhibit could be increased by adding expired policies or sample policies of every available type. As the work becomes organized, if visits to insurance company offices are arranged, much objective material will probably be accumulated. The pupils will now begin to acquire (without conscious effort) an insurance vocabulary.

Step 2, "providing proper exposure to appreciation material" follows right along with the first step. Magazines, books, newspaper articles, committee visits to insurance offices and constantly changing or growing bulletins should be utilized. Such material as is found on pages 199-205 is the type material suggested. The life insurance policies shown here will give a speaking acquaintance with the different types and the children will probably want to know about the differences in

(1) Giles, Ray, Your Money and Your Life Insurance, pp.4-8, Harper & Bros., New York, 1935.

cost, and what the benefits and limitations to each particular policy are. Texts and reference books (see Bibliography, particularly pages 239-240) may now be utilized to get information for all kinds of insurance that may meet life situations. Personal experiences are valuable, in that they make the problem real, but care should be taken not to pry into the financial status of any pupil's family. At this point, I should introduce rate charts such as may be found in Chapter V pages 95-142. These should be current. There is no point in giving fictitious rates, such as may be found in the arithmetic books of the past century. The current rate charts are procurable at insurance offices. Later, in this unit, rate charts should be available for each pupil for computation purposes. Mimeographed copies, blackboard copies, or cardboard charts may be made from the insurance charts. In my opinion, this second step calls for abundant exposure in all kinds of ordinary insurance and no differentiation, or classification, or regular order of types is necessary at this point.

The third step in this insurance unit which is most important is: "subordinating fundamental knowledge",

"(a) Mastery of technical or fundamental knowledge is not essential for appreciation. In fact, urging mastery of technique may lead to disgust or effects directly opposite to those intended." Stress on technical knowledge would defeat the purpose of this unit. No mastery is required, but, instead, an insight into what insurance is and what protections it may give. Later, the pupils will make logical numerical findings

as to what insurance typical families can afford to buy. At this time, I would not advise any assigned computation. There is time enough for numerical calculation after the pupils become familiar with the subject. The children then understand the language of insurance, have an informational background, and should be ready to apply their knowledge in typical family problems in all types of ordinary insurance. In any problem so vital to the child's family now, and which will be so important to him directly, later on, a background of appreciation is all the carry-over that is necessary, for with this technique a pupil could hardly fail to realize the responsibility a person has to protect his future dependents, to protect his own later life, and to protect his property.

(b) Properly handled, a small amount of analysis will for most pupils increase the enjoyment." If all the suggested objective material is used, it seems as if analysis and comparison must inevitably follow. The socialized recitation will also bring about analysis that should add to the motivation and enjoyment.

The fourth step, "providing for expression and growth", should be most carefully planned. After or during the second step a "Red Letter Day" may be launched. The "Red Letter Day" should be a gala event, a climax, a dramatic presentation of information gleaned from the many sources, an opportunity to share the results of research with others, and a culmination of the entire unit. Before planning for this day, the time factor must be considered.

A worthwhile unit is worth many weeks of study, but in a school curriculum that is not elastic, perhaps a specified time is all that will be available. If that time seems too short, perhaps a suggestion would meet with approval to the effect that one arithmetic period a week throughout the semester might be utilized for this unit. The concentrated period of time may seem preferable on the basis that motivation carry-over is more difficult if a subject is discussed only once a week. The individual teacher must solve this for herself. If a specified time is given that seems sufficiently long, four days a week may be devoted to the first steps and later to calculation, and the other day for the development of the "Red Letter Day".

If a teacher has more than one group in arithmetic in the eighth grade, these "Red Letter Days" may be a joint event in the form of two assemblies. If one class only is participating, two guest periods or two assemblies would probably give sufficient provision for expression and some provision for growth. The guests may be some members of the faculty, or parents, or another class. For this unit, the parents might be very interested and perhaps it would result in some worthwhile adult education.

It is suggested that the first "Red Letter Day" program be planned concerning types of insurance other than life insurance. A suggested program is given on page 90 . It might be well to give this program at the end of the informational research and before actual computation is started. Computation, especially in life insurance, is necessarily delayed until the

pupils have a background in the subject. The "Red Letter Day" about life insurance might better be given at the end of the entire unit. As the suggested program indicates (page 192) some judgment in insurance investment and some knowledge in computation are necessary.

The next consideration is choosing a program for the gala event. If the teacher has a definite idea in mind of what she would like the children to carry-over or of what highlights in appreciation would interest others, it ought not be difficult for the class with the guidance of the teacher to formulate a worthwhile program.

As the pupils up to this point have had exposure to material in all types of insurance, some may already have shown a decided interest in a certain type. This interest perhaps need not be interrupted, but may be challenged to formulate an offering for the program. It will be necessary now to organize the work more systematically, so as to cover as much of the fundamental material as possible. The aim of our computation in insurance may now be brought to mind and also the aim of the whole unit. The life situation that the child must face is that when he grows up he is going to have definite obligations as far as insurance is concerned. This might be called the acquisition of insurance-consciousness. It seems that this technique might be developed without conscious effort, if the child were made to realize what insurance typical families think it necessary to carry, as an example of the problem he will have to meet later on. The logical question seems to be, "What insurance should

typical families carry?" In order to answer this question, the children need to know what types of insurance are offered. Much of the research, therefore, should be guided toward that question. This does not mean mastery of knowledge; it does mean that the interest element, the enjoyment element, the entertainment element are in the foreground.

A suggested class room procedure is to divide the pupils into groups or committees so as to divide the burden of research, provide for individual differences, and acknowledge specific interest. These committees could report to the class on Friday their findings for the first four days. The duty of the class would be to select the material they would think advisable for the "Red Letter Days". In this way, while each pupil works on only a few phases, he becomes familiar with the subject as a whole. If sufficient motivation has been stimulated, a teacher will find a critical class making careful selections for a good program. Probably no two classes would select the same program, but many types would be worthwhile. With this procedure carefully planned and carried forward, there should be participation by every child.

The correct use of the general techniques should be observed. Motivation and provision for individual differences have been mentioned. Socialization of the work seems to be an outstanding necessity in this technique. The group work for the first four days should be a joint social procedure, each member of a group working with every other member to find as much as possible to offer the whole class on Friday. Friday

offers still further opportunity for socialization, when the procedure calls for joint sharing, judging, and selecting for the proposed program. There is a splendid opportunity for provision for character results. Sharing, co-operating, helping, and being courteous and unselfish with each other in carrying on a joint piece of work should result in the development of just those character assets that it is hoped the child will carry over into later life.

The minor techniques should also be considered. Questioning in the appreciation technique should be skilfully done. The wrong kind of questioning may defeat the purpose of appreciation. The "why" type should be avoided and also the "yes" and "no" type. The better types are the reflective, or suggestive, or alternate, or challenging type of question. The assignments should be of the same type as the questioning and should provide for individual differences, the aim being to have every child happy, interested, and progressing to the extent of his ability. Supervised study is essential in this insurance unit. The danger will be that the pupils will go too far afield in such a comprehensive study, or that the references will be too scientific. The teacher's obligation is to supervise the placing of the right type of material in the pupils' hands, supervising the intelligent and interested use of that material and supplementing it whenever necessary with her own knowledge. Examinations in the appreciation technique seem to defeat the purpose. As no mastery is expected, a formal examination is a

waste of time. A teacher should try to evaluate results as a check to her own teaching. In this unit a check for informational background and somewhat for acquired attitude toward the subject is furnished in the latter part of the work; for when the children are asked to determine what insurance a typical family should carry, the response as to what it might carry will be an evidence of teaching results.

Our next procedure would be to answer the question, "What information would be of value in this program?" A wide exposure to the material explained in Chapter I of this thesis should be the general aim. The Red Letter Day program would reflect this aim.

Suggested program for "Red Letter Day".

(Assembly period)

Fire, Burglary, Automobile, Accident and Health, Liability, and Unusual Insurances.

I Personal story by one of the pupils of the benefits he received from insurance after an automobile accident.

II Story by one or more students of how fire insurance began and the reasons why people carry fire insurance.

III Impersonation by one of the students of a banker telling why he carries burglary insurance.

IV Dialog between two pupils depicting an insurance agent selling an accident and health insurance policy to a business man.

V A guest speaker: "Liability Insurance" - doctors, dentists, druggists, employers' liability, etc.

VI An interesting story by a student of unusual insurances: out-of-door events, musicians, dancers, eclipses, etc.

As the climax of the appreciation technique at this point is arrived at in the Red Letter Day program, the problem technique now enters the picture in its secondary role, and our attention is turned to the judgment and computation of insurance.

PART IV

JUDGMENT AND COMPUTATION IN INSURANCE

CHAPTER V

TABLES AND CHARTS WITH SUGGESTED PROBLEMS FOR PRACTICE

The problem that is now before the pupils is, "How much insurance and what kind should typical families carry?" As the pupils in later life are going to need practical knowledge in judging and computing life insurance, burglary insurance, fire and theft, accident and health insurance, and so on, they may gain valuable assistance now. There should be available for individual use, an American Life Expectancy Table, (page 93) a family budget table, (page 94) and insurance charts as on pages found in this chapter.

The plan as worked out here consists in having the children become familiar with the use of these tables and charts. For that purpose, drill questions are provided with each chart. When the pupils become familiar with these, they may then start the work of judgment and computation.

There now follows the various charts that will be needed in the insurance programs to follow.

TABLE I

AMERICAN EXPERIENCE TABLE OF MORTALITY

Age	Death Rate per 1000	Expectation of life	Age	Death Rate per 1000	Expectation of Life
10	7.49	48.72	53	16.53	18.79
11	7.52	48.08	54	17.40	18.09
12	7.54	47.45	55	18.57	17.40
13	7.57	46.80	56	19.88	16.72
14	7.60	46.16	57	21.33	16.05
15	7.63	45.50	58	22.94	15.39
16	7.66	44.85	59	24.72	14.74
17	7.69	44.19	60	26.69	14.10
18	7.73	43.53	61	28.88	13.47
19	7.76	42.87	62	31.29	12.86
20	7.80	42.20	63	33.94	12.26
21	7.85	41.53	64	36.87	11.67
22	7.91	40.85	65	40.13	11.10
23	7.96	40.17	66	43.71	10.54
24	8.01	39.49	67	47.65	10.00
25	8.06	38.81	68	52.00	9.47
26	8.13	38.12	69	56.76	8.97
27	8.20	37.43	70	61.99	8.48
28	8.26	36.73	71	67.66	8.00
29	8.34	36.03	72	73.73	7.55
30	8.43	35.33	73	80.13	7.11
31	8.51	34.63	74	87.03	6.68
32	8.61	33.92	75	94.37	6.27
33	8.72	33.21	76	102.31	5.88
34	8.83	32.50	77	111.06	5.49
35	8.95	31.78	78	120.83	5.11
36	9.09	31.07	79	131.73	4.74
37	9.23	30.35	80	144.47	4.39
38	9.41	29.62	81	158.60	4.05
39	9.59	28.90	82	174.30	3.71
40	9.79	28.18	83	191.56	3.39
41	10.01	27.45	84	211.36	3.08
42	10.25	26.72	85	235.55	2.77
43	10.52	26.00	86	265.68	2.47
44	10.83	25.27	87	303.02	2.18
45	11.16	24.54	88	346.69	1.91
46	11.56	23.81	89	395.86	1.66
47	12.00	23.08	90	454.54	1.42
48	12.51	22.36	91	532.47	1.19
49	13.11	21.63	92	634.26	.98
50	13.78	20.91	93	734.18	.80
51	14.54	20.20	94	857.14	.64
52	15.39	19.49	95	1000.00	.50

TABLE II

BUDGET TABLE (1)

THRIFT				LIVING COSTS				
Yearly Income	Life Insurance	Amt. of Ins. at $30 per $1,000	Other Savings	Food	Rent	Clothes	Expense	Advancement
$1,500	$ 90	$3,000	$ 40	$ 485	$ 360	$ 185	$ 245	$ 95
2,000	150	5,000	50	585	440	270	385	120
2,500	240	8,000	100	650	480	300	485	245
3,000	300	10,000	125	715	600	390	605	265
4,000	450	15,000	200	875	750	600	725	400
5,000	600	20,000	300	945	800	780	900	675
7,500	900	30,000	500	1,350	1,150	1,000	1,300	1,300
10,000	1,250	40,000	1,250	1,400	1,200	1,200	1,800	1,900

EXPLANATION OF HEADINGS

Life Insurance and Savings: Investments, Savings, Life Insurance, Mortgage Payments (Interest Only).

Food: Groceries, Meat, Fish, Man's Lunches.

Operating Expenses: Servant's Wages, Telephone, Laundry, Fuel and Ice, Light, Household Equipment, Fire Insurance, Incidentals, Carfare, Accident and Health Insurance.

Rent: Rent, Taxes, Interest on Mortgages, Repairs and Upkeep.

Clothes: Anything to wear.

Advancement: Tuition, Books, and Magazines, Vacations, Music, Travel, Social Clubs, Amusements, Charity, Lectures, Doctor Bills, Medicine, Gifts, Automobile, Loans.

(1) John Hancock Home Budget.
John Hancock Mutual Life Insurance Company, Boston, 1929.

TABLE III*

PREMIUM RATES FOR EACH $1,000 (Ordinary Branch) (1)

Age At Issue	Whole Life Paid Up At Age 85	Limited-payment Life			Endowment				
		10 Pay.	20 Pay.	30 Pay.	10 Yr.	20 Yr.	30 Yr.	At 60	At 65
10	$13.76	$37.67	$22.68	$17.93	$95.93	$44.42	$28.11	$16.67	$15.49
15	15.14	40.33	24.34	19.28	96.60	44.90	28.56	18.91	17.37
20	16.87	43.49	26.32	20.91	97.34	45.46	29.14	21.84	19.77
25	19.04	47.21	28.68	22.90	98.18	46.15	29.91	25.71	22.90
30	21.80	51.61	31.51	25.34	99.15	47.04	31.03	31.03	37.17
35	25.35	56.81	34.95	28.42	100.34	48.28	32.72	38.61	32.72
40	30.04	63.00	39.22	32.46	101.90	50.13	35.42	50.13	40.83
45	36.33	70.46	44.72	37.98	104.10	53.10	39.73	69.38	53.10
50	44.59	79.10	51.67	45.40	106.93	57.55	46.24	106.93	72.95
55	55.97	89.75	61.24	55.97	111.61	64.87	56.24	217.26	111.61
60	71.89	103.22	74.21	-	119.29	76.66	-	-	-
65	94.59	121.06	94.59	-	131.86	95.25	-	-	-

*Insurance rate charts provide rates for each year. In this study, for brevity, rates are indicated for every five years.

(1) Flitcraft Compend, 1935. p. 260.
Flitcraft Life Insurance Works, Illinois.

Suggested problems for practice in reading Table III, page 95, showing the premium rates per $1,000 at specified ages for the following types of insurance: Whole Life Paid-Up at 85; 10, 20, and 30 year Endowments, and Endowments at 60 and 65. For the purpose of this study, ages are listed every five years from 10 to 65 years. All rates quoted are in participating companies.

The chart is simple to read, but the pupils should become familiar with it before attempting to make out options for different incomes. To read, find the age of the insured when he buys the policy and find out what type he selects, then follow along the age line to the type column and that figure indicates the annual premium. These are all on the basis of $1,000.

1. At age 20, what will be the annual premium per $1,000, for a 10-Payment Life policy? ($43.49)

2. At age 20, per $1,000, for a 20-Yr. Endowment? ($45.46)

3. At age 20, per $1,000, for an Endowment at 65? ($19.77)

4. At age 25, per $1,000, for a Whole Life Paid-up at 85? ($19.04)

5. At age 45, per $1,000, for a 20-Payment Life policy? ($44.72)

6. At age 35, per $1,000, for a 20-Yr Endowment? ($48.28)

7. At age 40, per $1,000, for a 30-Payment Life? ($32.46)

8. At age 30, per $1,000, for an endowment at 30? ($31.03)

9. At age 50, per $1,000, for a 10-Yr. Endowment? ($106.93)

10. At age 20, per $5,000, for a 20-Payment Life policy? ($131.60)

11. At age 50, per $3,000, for a 10 Yr. Endowment? ($320.79)

12. At age 25, per $6,000, for a 30-Payment Life? ($137.40)

13. At age 30, per $8,000, for a Whole Life Paid-up at 85? ($174.40)

14. At age 40, per $2,000, for a 10-Payment Life? ($126.00)

15. At age 45, per $7,000, for an Endowment at 60? ($485.66)

16. At age 30, per $12,000, for an Endowment at 60? ($372.36)

17. At age 35, per $16,000, for a Whole Life Paid-up at 85? ($405.60)

18. At age 30, how much protection may be bought for $265 annual premium on a 10-Payment Life policy? ($5,000 and $6.95 remaining)

19. At age 35, how much protection may be bought for $115 annual premium on a Whole Life Paid-up at 85 policy? ($4,000 and $13.60 remaining)

20. At age 25, how much insurance may be bought for $175 annual premium, on a 20-Yr. Endowment policy? ($3,000 and $36.55 remaining)

21. At age 30, how much protection may be bought for $100 annual premium, on a 30-Payment Life policy? ($3,000 and $23.98 remaining)

TABLE IV

Extra annual premium rates for Double Indemnity per $1,000 (1)

Age at Issue	Life Pd-up at 85	Life 10 Payment	Life 20 Payment	Life 30 Payment	Endowment 10 Year	Endowment 20 Year	Endowment 30 Year	Endowment At 60	Endowment At 65
15	$1.00	$2.40	$1.50	$1.20	$1.00	$1.00	$1.00	$1.00	$1.00
20	1.00	2.40	1.50	1.20	1.00	1.00	1.00	1.00	1.00
25	1.10	2.40	1.50	1.20	1.00	1.00	1.00	1.00	1.10
30	1.20	2.40	1.50	1.20	1.00	1.00	1.10	1.10	1.10
35	1.30	2.40	1.50	1.30	1.00	1.10	1.30	1.20	1.30
40	1.40	2.40	1.60	1.40	1.20	1.30	1.40	1.30	1.40
45	1.60	2.40	1.60	1.60	1.40	1.60	1.60	1.50	1.60
50	1.70	2.20	1.70	1.70	1.60	1.70	1.70	1.60	1.70
55	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.70	1.80

Extra annual premium rates for Waiver of Premium for Disability (1) per $1,000

Age at Issue	Life Pd-up at 85	Life 20 Payment	Life 30 Payment	Endowment 20 Year	Endowment 30 Year	Endowment At 60	Endowment At 65
15	$0.50	$0.39	$0.38	$0.63	$0.51	$0.50	$0.52
20	61	46	46	71	61	61	63
25	75	53	59	80	73	75	78
30	94	66	80	94	95	95	99
35	1.23	90	1.15	1.21	1.31	1.25	1.31
40	1.66	1.36	1.63	1.71	1.77	1.71	1.81
45	2.34	2.23	2.33	2.63	2.44	2.48	2.63
50	3.40	3.43	3.41	3.81	3.47	3.81	4.04
55	5.10	5.21	5.10	5.51	5.12...	6.52	6.71

(1) Ibid, p.262

Suggested examples for practice in reading Table IV, page 99 , Extra Annual Premium Rates for Double Indemnity per $1,000.

By paying an extra annual premium, other than the regular premium for life insurance, a person may be insured for double the amount of the face of the policy, if he should die an accidental death. There are many limitations as to what is termed an accidental death. Suicides, homicides, carbon monoxide poisoning, and death caused by riding in airplanes with pilots who are not duly authorized, are some of the exceptions which nullify the double indemnity clause. Another stipulation is that the accidental death must occur within ninety days of the accident. In these days of increasing automobile accidents, this type of insurance is a good protection and the cost is small. (In some companies the life insurance premium includes this benefit with no extra cost).

What will it cost to have the double indemnity clause:

1. On a Paid-up Life at 85 policy at age 20? ($1.00)
2. On a 10-Payment Life policy, at age 30? ($2.40)
3. On a 20-Payment Life policy, at age 35? ($1.50)
4. On a 30-Payment Life policy, at age 40? ($1.40)
5. On a 20-Yr. Endowment, at age 25? ($1.00)
6. On an Endowment at 60, at age 20? ($1.00)
7. On a 30-Yr Endowment, at age 35? ($1.30)
8. On a 20-Payment Life, at age 20, on a $2,000 policy? ($3.00)

9. On a 10-Yr. Endowment, at age 35, on a $4,000 policy? ($4.00)

10. On a Paid-up Life at 85 plan, at age 55, on a $3,000 policy? ($5.40)

Suggested problems for practise in reading Table IV, page 99, Extra Annual Premium Rates, per $1,000, for Waiver of Premium Disability:

By paying an extra annual premium, an insured person who becomes totally disabled, receives a paid-up policy for the full face value and there is no further premium of any kind charged. If it is a Whole-Life policy or a Limited Life Policy, the full value is paid at the death of the insured, even though all the premium payments have ceased at the time he became disabled. An endowment is paid in cash in full when it becomes due even though no premium has been paid since the insured became totally disabled. Some companies include this benefit in their regular premium.

What will the extra premium cost for a waiver of premium for disability on a:

Per $1,000

1. Whole Life Paid-up at 85 policy, at age 15?($0.50)
2. 20-Payment Life policy, at age 30? ($ .66)
3. 30 Payment Life policy, at age 20? ($ .46)
4. 20-Year Endowment policy, at age 45? ($2.63)
5. 30-Year Endowment policy, at age 25? ($ .73)
6. Whole Life Paid-up at 85 policy, at age 40 on a $2,000 policy? ($3.32)
7. 20-Payment Life policy, at age 35 on a $3,000 policy? ($2.70)

8. 30-Payment Life policy, at age 20 on a $4,000 policy? ($1.84)
9. 20-Year Endowment, at age 40 on a $3,000 policy? ($5.13)
10. 30-Year Endowment, at age 15 on a $4,000 policy? ($2.04)

TABLE V

Tentative 10-Year Dividend Exhibit Per $1,000

Whole Life Paid-up at 85

Age	15	20	25	30	35	40
Annual Premium	$15.14	$16.87	$19.04	$21.80	$25.35	$30.04
10 Annual Premiums	151.40	168.70	190.40	218.00	253.50	300.40
Total Div. - 10 Yrs.	31.02	34.69	39.58	45.02	49.21	54.72
Net Am't Paid in 10 Yrs.	120.38	134.01	150.82	172.98	204.29	245.68
Av. Yearly Payments	12.04	13.40	15.08	17.30	20.43	24.57
Cash Value end 10 Yrs.	58.00	72.00	89.00	108.00	132.00	160.00

Age	45	50	55	60	65
Annual Premium	36.33	44.59	55.97	71.89	94.59
10 Annual Premiums	363.30	445.90	559.70	718.90	945.90
Total Div. - 10 Yrs.	62.49	72.21	87.01	108.52	134.59
Net Am't Paid in 10 Yrs.	300.81	373.69	472.69	610.38	811.31
Av. Yearly Payments	30.08	37.37	47.27	61.04	81.13
Cash Value end 10 Yrs.	193.00	229.00	271.00	317.00	371.00

Ibid, pp. 264, 265.

TABLE V (continued)

Tentative 20-Year Dividend Exhibit Per $1,000

Whole Life Paid-up at 85

Age	15	20	25	30	35	40
Annual Premium	$15.14	$16.87	$19.04	$21.80	$25.35	$30.04
20 Annual Premiums	302.80	337.40	380.80	436.00	507.00	600.80
Total Div. - 20 Yrs.	79.00	89.14	102.36	117.35	129.99	145.93
Net Am't Paid in 20 Yrs.	223.80	248.26	278.44	318.65	377.01	454.87
Av. Yearly Payments	11.19	12.41	13.92	15.93	18.85	22.74
Cash Value end 20 Yrs.	176.00	212.30	254.10	304.70	361.90	424.60

Age	45	50	55	60	65
Annual Premium	36.33	44.59	55.97	71.89	94.59
20 Annual Premiums	726.60	891.80	1119.40	1437.80	1891.80
Total Div. - 20 Yrs.	167.12	192.80	230.04	283.04	350.76
Net Am't Paid in 20 Yrs.	559.48	699.00	889.36	1154.76	1541.04
Av. Yearly Payments	27.97	34.95	44.47	57.74	77.05
Cash Value end 20 Yrs.	490.60	557.70	628.10	730.40	1001.00

Ibid, pp. 264, 265.

TABLE V (continued)

Tentative 10 Year Dividend Exhibit

20 Payment Life
Per $1,000

Age	20	25	30	35	40
Premium	$26.32	$28.68	$31.51	$34.95	$39.22
10 Annual Prems.	263.20	286.80	315.10	349.50	392.20
Total Div. 10 Yrs.	39.26	44.37	49.90	54.21	59.35
Net Paid 10 Yrs.	223.94	242.43	265.20	295.29	332.85
Av. Yearly Pay.	22.39	24.24	26.52	29.53	33.29
Cash. Val. 10 Yrs.	171.00	188.00	208.00	231.00	259.00

Age	45	50	55	60
Premium	44.72	51.67	61.24	74.81
10 Annual Prems.	447.20	516.70	612.40	748.10
Total Div. 10 Yrs.	66.20	74.19	86.68	105.15
Net Paid 10 Yrs.	381.00	442.51	525.72	642.95
Av. Yearly Pay.	38.10	44.25	52.67	64.30
Cash Val. 10 Yrs.	287.00	314.00	338.00	357.00

Tentative 20-Year Dividend Exhibit
20-Payment Life
Per $1,000

Age	20	25	30	35	40
Premium	26.32	28.68	31.51	34.95	39.22
20 Annual Prems.	526.40	573.60	630.20	699.00	784.40
Total Div. 20 Yrs.	116.44	130.72	146.31	159.45	174.61
Net Paid 20 Yrs.	409.96	442.88	483.89	539.55	609.79
Av. Yearly Pay.	20.50	22.14	24.19	26.98	30.49
Cash Val. 20 Yrs.	504.90	555.50	610.50	671.00	733.70

Age	45	50	55	60
Premium	44.72	51.67	61.24	74.81
20 Annual Prems.	894.40	1033.40	1224.80	1496.20
Total Div. 20 Yrs.	193.62	214.89	245.88	289.71
Net Paid 20 Yrs.	700.78	818.51	978.92	1206.49
Av. Yearly Pay.	35.04	40.93	48.95	60.32
Cash Val. 20 Yrs.	795.30	854.70	907.50	955.90

Ibid, p. 267

TABLE V (continued)

Tentative 10 Year Dividend Exhibit

20 Year Endowment

Per $1,000

Age	20	25	30	35	40
Premium	$45.46	$46.15	$47.04	$48.28	$50.13
10 Annual Prems.	454.60	461.50	470.40	482.80	501.30
Total Div. 10 Yrs.	43.32	49.67	55.70	59.22	62.58
Net Paid 10 Yrs.	411.28	411.83	414.70	423.58	438.72
Av. Yearly Pay.	41.13	41.18	41.47	42.36	43.87
Cash Val. 10 Yrs.	384.00	383.00	383.00	383.00	383.00

Age	45	50	55	60
Premium	53.10	57.55	64.87	76.66
10 Annual Prems.	531.10	575.50	648.70	766.60
Total Div. 10 Yrs.	67.31	73.46	86.13	106.01
Net Paid 10 Yrs.	463.69	502.04	562.57	660.59
Av. Yearly Pay.	46.37	50.20	56.26	66.06
Cash Val. 10 Yrs.	384.00	384.00	384.00	383.00

Tentative 20 year dividend exhibit per $1,000

20 Year Endowment

Age	20	25	30	35	40
Premium	45.46	46.15	47.04	48.28	50.13
20 Annual Prems.	909.20	923.00	940.80	965.60	1002.60
Total Div. 20 Yrs.	221.94	236.27	249.84	257.75	265.28
Net Paid 20 Yrs.	687.26	686.73	690.96	707.85	737.32
Av. Yearly Pay.	34.36	34.34	34.55	35.89	36.87
Cash Val. 20 Yrs.	1000.00	1000.00	1000.00	1000.00	1000.00

Age	45	50	55	60
Premium	53.10	57.55	64.87	76.66
20 Annual Prems.	1062.00	1151.00	1297.40	1533.20
Total Div. 20 Yrs.	275.70	289.25	317.26	361.27
Net Paid 20 Yrs.	786.30	861.75	980.14	1171.93
Av. Yearly Pay.	39.32	43.09	49.01	58.60
Cash Val. 20 Yrs.	1000.00	1000.00	1000.00	1000.00

Ibid, p. 267

Suggested problems for practice in reading
Tables for Tentative Dividends per $1,000.

I. Whole Life Paid-up at 85: (Table V, page 104 - 105)

1. If a man age 35, buys a "Whole Life Paid-up at 85" policy: page 104 - 105.

(1) What will the annual premium be? ($ 25.35)

(2) 20 annual premiums? (p. 105) ($507.00)

(3) Tentative total dividends for 20 years? ($129.99)

(4) Net amount in 20 yrs.? ($377.01)

(5) Average for 1 yr.? ($ 18.85)

(6) Amount saved in 1 yr. by applying dividends? ($25.35 - 18.85 or $6.50)

2. At age 15, what is the annual premium? ($ 15.14)

3. At age 20, what will 10 annual premiums cost? Page 104. ($168.70)

4. At age 25, what will be the tentative total dividends for 10 yrs.? ($ 39.58)

5. At age 30, what will be the net amount paid, or in other words what will it cost for premiums if the dividends are used each year to help pay for the premiums? ($172.98)

6. At age 30, what will be the average yearly payment with dividends applied? ($ 17.30)

7. What is the cash value of this policy in 10 yrs.? Page 104. ($108.00)

Suggested problems for practice in reading
Tables for Tentative Dividends per $1,000 (continued).

II. 20-Payment Life: (Table V, page 106)

1. If a man 45 yrs. old buys a 20-Payment Life policy:
   (1) What will the annual premium be? ($ 44.72)
   (2) 20 annual premiums? ($894.40)
   (3) Tentative total dividends, 20 yrs.? ($193.62)
   (4) Net paid 20 yrs.? ($ 35.04)
   (5) Cash value 20 yrs.? ($795.30)
2. At age 25, what will be the tentative total dividend for 10 yrs.? ($ 44.37)
3. At age 25, what will be the tentative dividends for 20 yrs.? ($130.72)
4. At age 60, what will be the net paid for 10 yrs.? ($642.95)
5. At age 40, what will be the average yearly pay for 20 yrs.? ($30.49)
6. At age 35, what will be the cash value in 20 yrs.? ($671.00)
7. At age 50, what will be the cash value in 10 yrs.? ($314.00)

III. 20-Year Endowment: (Table V, page 107)

1. If a man, age 25, decides to buy a 20-Year Endowment policy:
   (1) What will the annual premium be? ($ 46.15)
   (2) What will it cost for 10 yrs.? ($461.50)

Suggested problems for practice in reading Tables for Tentative Dividends per $1,000 (continued).

(3) What will be the tentative dividends for 10 yrs.? ($ 49.67)

(4) What will be the net payment for 10 yrs.? ($411.83)

(5) What will this average for 1 yr.? ($ 41.18)

(6) What will he save from his annual premium cost by applying the dividends? ($46.15 - 41.18 or $4.97 per yr.)

TABLE VI

WHOLE LIFE $5,000 POLICY

Age at Issue	Whole Life $5,000 Pol. Annual Premium (1)	Cash Values(2) 10 yrs.	Cash Values(2) 20 yrs.	Extra-annual Premium for Double Indemnity(3)	Extra-annual Premium for Waiver for Disability(3)
15	$ 68.50	$ 290	$ 800	$5.00	$ 2.35
20	76.00	360	960	5.00	2.80
25	85.40	445	1155	5.50	3.45
30	97.35	540	1380	6.00	4.30
35	112.80	655	1640	6.50	5.55
40	133.05	795	1915	7.00	7.40
45	160.20	955	2205	8.00	10.40
50	197.25	1130	2490	8.50	15.15
55	248.20	1330	2755	9.00	22.80
60	319.05	1530	3035	-	-
65	418.60	1715	3365	-	-
35	112.80				
36	116.40				
37	120.20				
38	124.25				
39	128.50				
40	133.05				
41	137.85				
42	142.90				
43	148.35				
44	154.10				

(1) Ibid, p.260
(2) Ibid, p.275
(3) Ibid, p.262

TABLE VI (continued)

WHOLE LIFE $5,000 POLICY

Age at Issue Yr.	Tentative Dividends (1) at end of-									
	1	2	3	4	5	6	7	8	9	10
15	-	$19.70	$20.08	$20.53	$21.04	$21.47	$21.91	$22.36	$22.83	$23.31
20	-	$19.80	$20.25	$20.78	$21.41	$21.93	$22.45	$22.99	$23.56	$24.14
25	-	19.92	20.46	21.11	21.86	22.49	23.12	23.79	24.46	25.16
30	-	20.08	20.74	21.52	22.44	23.20	23.98	24.78	25.60	26.45
35	-	20.28	21.08	22.03	23.16	24.08	25.02	26.00	27.00	28.02
40	-	20.54	21.52	22.69	24.06	25.19	26.35	27.52	28.72	29.96
45	-	20.87	22.08	23.53	25.19	26.56	27.95	29.36	30.78	32.24
50	-	22.42	23.90	25.64	27.64	27.27	30.91	32.56	34.22	35.89
55	-	28.00	29.78	31.85	34.23	36.14	38.04	39.93	41.83	43.70
60	-	37.17	39.28	41.74	44.51	46.69	48.85	50.99	53.10	55.17
65	-	50.80	53.27	56.10	59.28	61.73	64.12	66.46	68.75	70.99

Age at issue	Total dividends for 10 years	Total dividends for 20 years
15	$193.23	$456.43
20	197.31	470.77
25	202.37	497.38
30	208.79	525.15
35	216.67	558.56
40	226.55	597.82
45	238.56	642.40
50	262.45	712.02
55	323.50	859.01
60	417.50	1074.11
65	551.50	1376.08

(1) Ibid, pp.270-272

Suggested examples for practice in reading Table VI, pages 111-112 Whole Life $5,000 Policy.

This policy is written in single thousands from $5,000 up. The rates are cheaper than those for single thousands up to $5,000. The premiums are payable until the death of the insured.

I. What is the annual premium for this policy?

1. For $5,000, issued at age 15? ($68.50)
2. " " " " " 30? ($97.35)
3. " " " " " 65? ($418.60)
4. " " " " " 37? ($120.20)
5. " " " " " 43? ($148.35)
6. " $10,000, " " " 20? ($152.00)
7. " " " " " 25? ($170.80)
8. " $15,000, " " " 35? ($338.40)
9. " " " " " 40? ($399.15)
10. " $20,000, " " " 45? ($640.80)

II. What will be the tentative dividends at the end of:

1. 2nd yr., issued at age 15, for $5,000? ($19.70)
2. 4th " " " " 20 " " ($20.78)
3. 7th " " " " 30 " " ($23.98)
4. 9th " " " " 40 " " ($28.72)
5. 10th " " " " 35 " " ($28.02)
6. 5th " " " " 15 " $10,000? ($42.08)
7. 6th " " " " 25 " $15,000? ($67.47)
8. Total dividends for 10 yrs., issued at 25, for $5,000? ($202.37)

9. Total dividends for 20 yrs., issued at age 40 for $5,000? ($597.82)

10. Total dividends for 20 yrs., issued at age 30 for $10,000? ($1050.30)

III. What will be the cash value:

1. In 10 yrs., issued at age 15, for $5,000? ($290)
2. " 20 " " " " 40 " " ($1,915)
3. " 20 " " " " 20 " $10,000? ($1,920)
4. " 10 " " " " 25 " " ($890)

IV. What will be the annual premium for double indemnity:

1. On a $5,000 policy, issued at age 15? ($5.00)
2. " " " " " " 25? ($5.50)
3. " "$10,000 " " " " 30? ($12.00)
4. " " " " " " 35? ($13.00)
5. " "$15,000 " " " " 55? ($27.00)

V. What will be the annual premium for double indemnity and life insurance premium on a Whole Life $5,000 policy:

1. On $5,000, issued at age 15? ($68.50 and 5.00 or $73.50)
2. " " " " " 20? ($76.00 and 5.00 or $81.00)
3. " " " " " 30? ($97.35 and 6.00 or $103.35)
4. "$10,000 " " " 35?($112.80 x 2 or 225.60 and 6.50 x 2 or 13.00 = $238.60)
5. "$15,000 issued at age 40?($133.05 x 3 = 399.15 and 7.00 x 3 or 21.00 = $420.15)

VI. What will be the annual premium for waiver for disability on a :

1. $5,000 policy, issued at age 15? ($2.35)
2. " " " " " 20? ($2.80)
3. " " " " " 40? ($7.40)
4. $10,000 " " " " 25? ($6.90)
5. " " " " " 30? ($8.60)

VII. What will be the annual premium for double indemnity and waiver for disability on a:

1. $5,000 policy issued at age 15? ($5.00 and 2.35 or $7.35)
2. " " " " " 20? ($5.00 and 2.80 or $7.80)
3. " " " " " 55? ($9.00 and 22.80 or $31.80)
4. $10,000 " " " " 35? ($6.50 and 5.55 or 12.05 x 2 = $24.10)
5. " " " " age 40? ($7.00 and 7.40 or $14.40 x 2 = $28.80)

VIII. What will be the annual premium for the regular life insurance and the double indemnity and waiver for disability on a:

1. $5,000 policy, issued at age 15? ($68.50 and 5.00 and 2.35 = $75.85)
2. " " issued at age 30? ($97.35 and 6.00 and 4.30 = $107.65)
3. " " issued at age 40? ($133.05 and 7.00 and 7.40 = $147.45)
4. $10,000 " issued at age 20? ($76.00 and 5.00 and 2.80 = 83.80 x 2 = $167.60)
5. $15,000 policy,issued at age 35? ($112.80 and 6.50 and 5.55 = 124.85 x 3 = $374.55)

TABLE VII

Cash Values

Whole Life Paid-up at Age 85 - $1,000 Policy

Age	Reg. Ann'l Prem.	End of Years 2	5	10	15	20
10	13.76	-	17	46	82	134
15	15.14	-	21	58	101	160
20	16.87	-	28	72	123	193
25	19.04	-	36	89	151	231
30	21.80	-	45	108	184	277
35	25.35	-	55	132	223	329
40	30.04	2	67	160	266	386
45	36.33	9	82	193	314	446
50	44.59	16	100	229	364	507
55	55.97	25	123	271	416	571
60	71.89	35	149	317	474	664
65	94.59	48	179	371	574	910

20 Payment Life - $1,000 Policy

10	22.68	-	58	143	249	386
15	24.34	-	63	156	271	420
20	26.32	3	69	171	297	459
25	28.68	6	76	188	327	505
30	31.51	9	85	208	360	555
35	34.95	13	94	231	397	610
40	39.22	17	106	259	437	667
45	44.72	23	121	287	476	723
50	51.67	28	136	314	513	777
55	61.24	34	151	338	543	825
60	74.81	41	165	357	562	869
65	94.59	48	179	371	574	910

20 Year Endowment - $1,000 Policy

						Age 19
10	44.42	35	161	384	652	921
15	44.90	35	161	384	652	921
20	45.46	35	161	384	652	921
25	46.15	35	161	383	651	921
30	47.04	35	161	383	650	920
35	48.28	35	161	383	650	920
40	50.13	36	162	383	648	919
45	53.10	37	164	384	645	917
50	57.55	39	167	384	640	913
55	64.87	41	170	384	632	908
60	76.66	44	176	383	618	899
65	95.25	49	183	382	602	884

(Ibid, p. 275

Suggested problems for practice in reading Table VII, page 116 "Cash Values" per $1,000.

1. If purchased at age 25, what will be the cash value of a $1,000 Whole Life Paid-up at 85 policy at the end of 5 yrs.? ($36); 10 yrs.? ($89); 15 yrs.? ($151); 20 yrs.? ($231).

2. Why is there no cash value on the above policy at the end of 2 yrs.? (Not enough has been paid).

3. If purchased at age 30, what will be the cash value of a $1,000, 20-payment life policy at the end of 15 yrs.? ($360)

4. If purchased at age 35, what will be the cash value of a $1,000, 20-yr. endowment at the end of 10 yrs.? ($383); 15 yrs.? ($650); 19 yrs.? ($920); 20 yrs.?(Face of policy, $1,000)

5. If purchased at age 40, what will be the cash value of a $2,000, 20-payment life policy at the end of 5 yrs.? ($106 x 2 or $212)

6. If purchased at age 20, what will be the cash value of a $4,000, 20-yr. endowment policy at the end of 19 yrs.? ($921 x 4 or $3,684)

7. If purchased at age 35, what will be the cash value of a $3,000, whole life paid-up at 85 policy, at the end of 15 yrs.? ($669)

8. If purchased at age 40, what will be the cost of a $6,000, 20-payment life policy at the end of 20 yrs.? ($4002)

TABLE VIII

INDUSTRIAL INSURANCE DEATH BENEFITS (ADULTS) (1)

Amount of insurance purchased by each 10¢ of weekly premium.
Disability and double indemnity benefits included, No extra cost.

Age next birth-day	Life Paid-up at 75	20-Payment Life	15-Yr. Endowment	20-Yr. Endowment
10	$324	$206	$64	$94
15	270	178	64	90
20	226	154	62	86
25	192	136	60	84
30	164	120	60	82
35	138	108	60	80
40	116	96	58	76
45	96	82	54	72
50	64	76	54	64
55	60	-	48	-

(1) Ibid, p. 576.

Suggested problems for practice in reading Table VIII, page 118, "Industrial Insurance Death Benefits (Adults)"

Ages are computed in industrial insurance on the age of the insured on his next birthday. In the other types of insurance, age is computed on the age of the insured on his nearest birthday at the time of the policy issue. In industrial insurance, children up to age ten are considered in the "infantile" group, and thereafter all are considered in the "adult" group.

1. At age 10, next birthday, by buying a Whole Life Paid-up at 75 policy for 10¢ a week premium, for how much will a person be insured? ($324)

2. For how much will a person be insured if he buys a 20-Payment Life policy at age 20 his next birthday, and pays a weekly premium of 10¢? ($154)

3. At age 35 next birthday, by buying a 15 yr. Endowment and paying 10¢ a week, for how much will a person be insured? ($60)

4. At age 40 next birthday, by buying a 20-yr. Endowment at 10¢ a week, for how much will a person be insured? ($76)

5. At age 50 next birthday, for 10¢ a week, how much protection may a person buy if he selects a Life Paid-up at 75 policy? ($64)

Policies are written for a premium of 5¢ a week. The amount of insurance is a little less than one half the amounts quoted for 10¢ a week.

TABLE IX

INDUSTRIAL INSURANCE DEATH BENEFITS (ADULTS)

Monthly Premiums (1)

$500-Amount of Insurance Purchased by the following Monthly Premiums.

Disability and Double Indemnity Benefit Included at No Extra Cost

Age Next Birthday	Life Paid-up at Age 75	20-Payment Life	15-Year Endowment	20- Year Endowment	Endowment at Age 60
10	-	-	-	-	-
15	$0.74	$1.09	$2.84	$2.05	-
20	.86	1.24	2.90	2.11	$1.08
25	.99	1.38	2.95	2.16	1.28
30	1.15	1.54	3.00	2.22	1.54
35	1.34	1.72	3.07	2.30	1.89
40	1.57	1.92	3.14	2.38	-
45	1.90	2.13	3.26	2.53	-
50	2.35	2.52	3.44	2.76	-
55	2.99	-	3.73	-	-
60	3.97	-	-	-	-

(1) Ibid, p.577

Suggested examples for practice in reading Table IX, page 120, Industrial Insurance Death Benefits (Adults) - Monthly Premium.

This table is not read in the same way as the 10¢ weekly premium table. The face value in this table is always $500. The monthly premium necessary at different ages for different types of insurance is listed in the table. No policies in this industrial monthly payment class are issued until age 11. No "Endowment at 60" policy is issued until age 16 and not after age 39.

1. For $500 insurance, how much must a person, age 20 next birthday, pay per month for a Life Paid-up at 75 policy? (86¢ a month)

2. For $500 insurance, how much must a person, age 25 next birthday, pay for a 20-Payment Life policy? ($1.38 a month)

3. Age 30. 15 yr. Endowment. Find cost. ($3.00 a month)

4. " 35. Endowment at 60. Find cost. ($1.89 a month)

5. " 15. 20 yr. Endowment. Find cost. ($2.05 a month)

TABLE X

Industrial Insurance Death Benefits (Infantile)

Death Benefits per 10¢ Weekly Premium, Ages Birth to 9

Disability and Double Indemnity Benefits Included, No Extra Cost

Age Next Birthday									Policy
1	2	3	4	5	6	7	8	9	Duration
				Life Paid-Up at 75					
20	100	150	200	230	260	280	300	320	0 - 3 mo.
40	100	150	200	230	260	280	300	320	3 - 12 mo.
100	150	200	240	260	290	310	320	334	1 yr.
150	200	240	270	290	320	330	346	-	2 yr.
200	240	270	300	320	340	356	-	-	3 yr.
240	280	300	330	350	366	-	-	-	4 yr.
280	310	330	360	376	-	-	-	-	5 yr.
320	340	360	382	-	-	-	-	-	6 yr.
350	370	388	-	-	-	-	-	-	7 yr.
380	394	-	-	-	-	-	-	-	8 yr.
400	-	-	-	-	-	-	-	-	After 9 yrs.
				20-Payment Life					
12½	50	75	100	125	150	175	200	200	0 - 3 mo.
25	50	75	100	125	150	175	200	200	3 - 12 mo.
50	75	100	125	150	175	200	210	210	1 yr.
75	100	125	150	175	200	210	216	-	2 yr.
100	125	150	175	200	220	220	-	-	3 yr.
125	150	175	200	220	226	-	-	-	4 yr.
150	175	200	220	232	-	-	-	-	5 yr.
175	200	220	236	-	-	-	-	-	6 yr.
200	220	240	-	-	-	-	-	-	7 yr.
220	240	-	-	-	-	-	-	-	8 yr.
240	244	-	-	-	-	-	-	-	9 yr.
244	-	-	-	-	-	-	-	-	After 10 yrs.
				20-Year Endowment					
10	40	60	80	100	100	100	100	100	0 - 3 mo.
20	40	60	80	100	-	-	-	-	3 - 12 mo.
40	60	80	100	-	-	-	-	-	1 yr.
60	80	100	-	-	-	-	-	-	2 yr.
80	100	-	-	-	-	-	-	-	3 yr.
100	-	-	-	-	-	-	-	-	4 yr.
-	-	-	-	-	-	-	-	-	5 yr.
-	-	-	-	-	-	-	-	-	6 yr.
-	-	-	-	-	-	-	-	-	7 yr.
-	-	-	-	-	-	-	-	-	8 yr.
-	-	-	-	-	-	-	-	-	After 9 yrs.

(a) Ibid., p. 578.

Suggested problems for practice in reading Table X, page 122, "Industrial Insurance Death Benefits (Infantile)"

The insurance companies vary the face value of children's policies because the mortality tables show that the death rate of children decreases each year up to about the ninth or tenth year. So the face value of a policy increases first after the policy is three months old and then after each year until the ninth or tenth year, when the face value becomes constant.

1. A child who will be one on her next birthday, is insured at 10¢ a week in the Life Paid-up plan at 75.

a. For how much is she insured from the date the policy is issued until the policy is 3 mos. old? ($20)

b. From the date the policy is three months old until it is 12 mos. old? ($40)

c. From the date the policy is 1 yr. old until it is 2 yrs. old? ($100)

d. From the date the policy is 2 yrs. old until it is 3 yrs. old? ($150)

e. From the date the policy is 9 yrs. old and thereafter? ($400)

2. A child who will be four his next birthday has a "20-Payment Life" policy on which the premium is 10¢ a week. When the policy is 3 yrs. old, what is its value?($175)

When the policy is 6 yrs. old and thereafter?($236)

3. A child will be 9 on his next birthday. He has a 20-yr. Endowment policy on which the premium is 10¢ a week. The policy will always have what face value? ($100)

TABLE XI

INDUSTRIAL CASH VALUES AND DIVIDENDS (1)

Industrial Policy Cash Values, per 10¢ Weekly Premium.

Age at Issue	Paid-up at 75 5th Yr.	10th Yr.	15th Yr.	20th Yr.	20-Payment Life 5th Yr.	10th Yr.	15th Yr.	20th Yr.
5	$ 9.48	$23.42	$37.90	$63.56	$12.34	$29.86	$52.64	$83.32
15	$11.24	$21.40	$32.68	$53.04	$13.02	$28.94	$48.40	$76.06
25	8.04	16.66	28.40	47.22	10.52	25.04	43.62	69.78
35	8.02	17.94	30.56	47.66	9.92	24.50	42.22	66.62
45	8.38	19.48	31.60	46.84	9.48	22.72	38.22	59.02
55	8.58	19.36	31.50	49.58	-	-	-	-
60	10.08	26.44	27.74	28.78	-	-	-	-

DIVIDENDS

Annually, 5th year and after, cash or premium credits.

Dividend for 1935, in weeks of premium credits, payable on issues of:

1879-1905, 26 wks. 1911-1915, 18 wks. 1921-1925, 12 wks.
1906½1910, 21 wks. 1916-1920, 15 wks. 1926-1930, 9 wks.

(1) Ibid, p. 579.

Table XII

Education Insurance Rates (per $1,000) (1)

Age, Insured	Age of Maturity	9	10	11	12	13	14
20	Annual Premium	$102.55	$ 92.35	$ 84.09	$77.29	$71.64	$66.84
25		103.53	93.31	85.04	78.24	72.58	67.81
30		104.68	94.45	86.20	79.42	73.77	79.03
35		106.15	95.94	87.71	80.98	75.39	70.71
40		108.14	98.01	89.87	83.23	77.78	73.23
45		111.11	101.15	93.23	86.82	81.62	77.36
50		115.35	105.80	98.29	92.35	87.61	83.85
55		122.54	113.67	106.91	97.80	94.88	94.88

Age, Insured	Age of Maturity	15	16	17	18	19	20
20	Annual Premium	$62.76	$59.27	$56.22	$53.59	$51.28	$49.26
25		63.74	60.26	57.24	54.64	52.35	50.38
30		65.01	61.57	58.60	56.04	53.83	51.90
35		66.76	63.40	60.53	58.07	55.98	54.18
40		69.43	66.24	63.56	61.32	59.42	57.86
45		73.83	70.99	68.65	66.75	65.25	64.11
50		80.88	78.57	76.82	75.55	74.71	74.23
55		92.82	91.42	90.64	90.38	90.59	91.19

Basis: After the policy is one year old, if the insured should die, monthly payments of $10 a month are made to the beneficiary until the policy matures; then $20 a month is paid for 4 years.

(Figures for cash values and tentative dividends are not available at the present time)

(1) Taken from the rate book of one of the large insurance companies.

Suggested problems for practice in reading the Educational Insurance Table, (Table XII, page 126) If the pupils are interested in the newer type of educational policy, they might figure out a schedule on that basis. They have probably developed by now facility in using the different charts and some judgment in selecting types of insurance. To make the chart for educational insurance understandable a series of the following questions might be asked:

1. If a man age 25 has a child 8 yrs. old, in how many years would he want the policy to mature if it is to be used for educational purposes? (As the average age for entering college is 18, he would want the policy to mature in 10 years.)

2. At age 25, what will be the annual premium for a policy maturing in 10 yrs.? ($93.31)

3. If a man, 39 yrs. old, takes out a policy to educate his daughter, 5, and his son, 3 yrs. old, what will it cost annually?

5 yr. to 18 yr., 13 yr. to maturity - Premium $73.77
3 yr. to 18 yr., 15 yr. to maturity - Premium 65.01
Total cost -- $138.78

4. If a man, age 35, takes out an education policy for his daughter, age 6, what will be the annual premium? ($80.98)

When the daughter is 18, what income would be available? ($20 a month for 4 yrs.)

If the father dies before the child is 18, the income starts at $10 a month until then and then is $20 a month for 4 yrs.

TABLE XIII

FIRE INSURANCE CHART

One-family residence:

House - 18¢ per $100 for 1 yr. policy

Furniture - 23¢ " " " " " "

House - 45¢ " " " 3 " "

Furniture - 57¢ " " " " " "

House - 72¢ " " " 5 " "

Furniture - 92¢ " " " " " "

Two-family residence:

2¢ higher in each case.

Three-family residence:

5¢ higher than one-family house in each case.

Practice in reading the fire insurance chart, Table XIII, page 128.

As residences are rated according to their surroundings, in a city like Boston proper which is largely industrial, many houses are considered as individual cases in computing the rate, but in suburbs of Boston where there are so many residential districts, most residences are listed under a flat rate unless they are located near a hazard. The rates quoted in Table XIII, page 128, are now used in Quincy, Watertown, Arlington, and like cities for residences not exposed to unusual fire hazards.

The loss is appraised by an adjuster and if the owner and adjuster do not agree, a committee of four, two disinterested people appointed by the insurance company and two by the owner, decide upon the amount of the loss.

In order to save the owner of the property money, especially an owner who does not feel that he can afford to pay the premium on the full value of his property, the insurance company offers a reduced rate or co-insurance clause requiring an 80% required clause.

What will it cost to insure:

1. A house worth $1,000 for 1 yr.?
2. " " " $2,000 " 1 "
3. " " " $4,000 " 1 "
4. " " " $8,000 " 1 "
5. " " " $1,000 " 3 "

6. A house worth $4,000 for 3 yr.?
7. " " " $8,000 " 3 "
8. " " " $1,000 " 5 "
9. " " " $3,000 " 5 "
10. " " " $9,000 " 5 "
11. Furniture worth $600 for 1 yr.?
12. " " $1000 " 1 "
13. " " $700 " 3 "
14. " " $800 " 3 "
15. " " $900 " 5 "
16. " " $1200 " 5 "
17. House worth $2000 and furniture worth $400 for 1 yr.?
18. " " $4000 " " " $500 " 1 "
19. " " $5000 " " " $600 " 3 "
20. " " $6000 " " " $800 " 3 "
21. " " $7000 " " " $900 " 5 "
22. " " $9000 " " " $1000 " 5 "

TABLE XIV
AUTOMOBILE RATE CHART



Massachusetts Bondi
and Insurance Compa y

14-20 KILBY STREET
BOSTON, MASS.

●

Hubbard 3642

HANDY POCKET RATE CHART

Contains Rates for:

STATUTORY PUBLIC LIABILITY
EXTRA TERRITORIAL COVERAGE
AND PROPERTY DAMAGE

Commonwealth of Massachusetts

1935

This chart compiled a blished by
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CLASSIFICATION OF PLEASURE CARS
(For others see Manual)

Auburn *1925-26:* 44—4.... W
1914-30: All—6..... X
1927-28: 77—8..... X
1925-35: All others—8, 12. Y

Austin (American)
1930-34. All—4..... W

Buick *1914-24:* All—4.... W
1929: Master 121, 129, (29-41, 44, 46, 46S, 47, 48, 49, 50, 50L, 51, 51CC, 55, 57, 58)—6..... Y
1930: 50, 60, (30-57, 58, 60, 60L, 61, 64, 64C, 68, 69)—6 Y
1933-34: 60 (33-34, 61, 66C, 66S, 67, 68, 68C)—8 Y
1931-34: 80, 90 (31-34, 86, 86C, 86S, 87, 88C, 90, 90L, 91, 94, 95, 96, 96C, 96S, 97, 98, 98C)—8 Y
1914-34: All others—6, 8 . X

Cadillac *1912-34:* All—4, 8, 12, 16..... Y

Chevrolet *1914-34:* All—4, 6.W

Chrysler *1929-34:* Plymouth—4, 6..... W
1925-28: Four, 50, 52, 58—4.W
1926-31: 77, De Luxe Eight, Imperial 80, L, Imperial Eight—6, 8 ..... Y
1932-34: Eight CP, DeLuxe Eight, Imperial Eight, Imperial Custom Eight, Airflow Eight, Imperial Airflow Eight, Custom Imperial Airflow Eight—8 Y
1924-34: All others—6, 8.. X

Continental *1933:* Ace—6 .. X
1933-34: All others—4, 6 W

De Soto *1929-34:* All—6, 8. X

Dodge *1915-28:* All—4 W
1932-33: DK, DO Eight—8 Y
1927-34: All others—6, 8. X

Duesenberg *1921-34:* All—8 Y

Essex (See also Terraplane)
1918-24: All—4 ..... W
1932-33: Terraplane-Stand. Six—6..... W
1924-33: All others—6, 8.. X

Ford *1912-34:* All—4, 8....W

Franklin (Air Cooled)
1929-34: 135, 137, 145, 147, Custom, Series 15 (Transcontinent 151, 152, De Luxe 153 Models), 16, 16B, 17, 17B, 19, 19A, 19B—6, 12 ..... Y
1914-34: All others—6.... X

Graham *1930-35:* Six, 6-56, 6-58, 6-65, Standard and De Luxe, 6-68, New Stand. Six, Stand. Six, New Special Six, Special Six, Prosperity Six—6 .. X
1931-33: New Special 820, Blue Streak, 823, 8-57—8 X
1933-35: Stand. Eight 8-64, 8-67, Custom Eight 8-57A, 8-69, Special Eight 8-67, 8—..... X
1930-34: All others—6, 8 .. Y

Hudson *1933:* Super Six—6 X
1914-30: All others—6 Y
1932-33: Major, Sterling—8 Y
1930-34: All others—8 X

Hupmobile *1914-26:* All—4 W
1925-35: All—6 ... X
1928-34: C, Century, M, M-8, L, 218, 221, 222, 322F, 422F 8 . X
1925: All—8 X
1926-35: All others—8.... Y

Lafayette *1934:* All—6..... X

La Salle *1934:* All—8 X
1927-33: All others—8 Y

Lincoln *1920-34:* All—8, 12 Y

Marmon *1927-32:* Roosevelt, Little Marmon, 68, 69, 70, 78—8..... X
1915-33: All others—6, 8, 16 Y

Nash *1921-24:* All—4 W
1929-34: Advanced Six (460 to 470), Twin Ignition Eight (490 to 499), (890 to 899), (990 to 999), Special Eight (1080 to 1089), Advanced Eight and Ambassador Eight (1090 to 1099), (1180 to 1189), (1190 to 1199), (1290 to 1299)—6, 8 Y
1918-33: All others—6, 8 X

Oldsmobile *1916-34:* All—4, 6, 8 X

Packard *1916-35:* All—6, 8, 12 ..... Y

Pierce-Arrow *1916-34:* All—6, 8, 12 ..... Y

Plymouth (See Chrysler)

Pontiac *1926-34:* All—6, 8.. X

Reo (See also Wolverine)
1914-35: All—4, 6 X
1931-32: 8-21—8..... X
1931-34: All others—8 ... Y

Rockne *1932-33:* All—6 .. X

Studebaker *1916-34:* Six 53, 54, 55, 56, Dictator Six and Eight, Light Six, Standard Six, Special Six, Special Dictator—6, 8 X
1929-31: Commander—6, 8 X
1933-34: Commander 73, B—8 X
1934: President C—8 X
1932: Commander 71—8 . Y
1916-28: Big Six, Commander—6 ..... Y
1928-33: All others—6, 8. Y

Stutz *1916-34:* All—4, 6, 8 . Y

Terraplane *1934:* Challenger, Special Six, Standard Six—6..... W
1934: De Luxe Six, Major Six—6..... X

Willys *1933-34:* 77—4 .... W
1930-33: All others—6, 8.. X

Willys-Knight
1916-26: All—4..... W
1925-33: All—6..... X

Willys-Overland *1932-33:* All—6, 8..... X

TERRITORIAL DIVISIONS

	P.L.	P.D.		P.L.	P.D.		P.L.	P.D.		P.L.	P.D.
Abington	19	19	Fall River	18	18	Middleton	25	25a	Somerville	5	5
Acushnet	28	28	Fitchburg	26	26	Milford	19	19a	Southborough	26	26
Agawam	27	27	Framingham	19	19	Millbury	26	26	So. Hadley	27	27
Amesbury	23	23	Franklin	19	19a	Millis	19	19a	Springfield	17	17
Arlington	12	12	Gardner	26	26	Milton	12	12	Stoneham	19	19
Ashland	19	19a	Gloucester	25	25a	Nahant	9	9	Stoughton	19	19
Attleboro	29	29	Grafton	26	26	Natick	19	19	Sudbury	19	19a
Auburn	26	26	Groveland	22	22a	Needham	19	19	Sutton	26	26a
Avon	19	19	Haverhill	22	22	New Bedford	28	28	Swampscott	25	25
Bedford	19	19a	Hingham	19	19	Newburyport	23	23	Taunton	29	29
Belmont	19	19	Holbrook	19	19	Newton	12	12	Tewksbury	13	13
Beverley	25	25	Holliston	19	19a	Norfolk	19	19a	Upton	26	26a
Billerica	16	16	Holyoke	24	24	North Adams	29	29	Wakefield	12	12a
Boston	3	3	Hopkinton	26	26a	Northampton	29	29	Walpole	19	19a
Boylston	26	26	Hudson	19	19a	Northborough	26	26	Waltham	12	12a
Braintree	19	19	Hull	19	19	Northbridge	26	26a	Watertown	11	11
Brockton	19	19	Ipswich	25	25a	No. Reading	21	21	Wayland	19	19
Brookline	8	8	Lancaster	30	30	Norwood	14	14	Wellesley	19	19
Burlington	12	12a	Lawrence	22	22	Oxford	26	26a	Wenham	30	30
Cambridge	5	5	Leominster	26	26	Palmer	27	27	Westborough	26	26
Canton	19	19	Lexington	19	19	Peabody	12	12a	W. Boylston	26	26
Chelsea	1	1	Lincoln	19	19	Pittsfield	29	29	Westminster	30	30
Chicopee	24	24	Longmeadow	27	27	Quincy	12	12	Westfield	29	29
Clinton	26	26	Lowell	16	16	Randolph	19	19	Weston	19	19
Cohasset	19	19	Ludlow	27	27	Reading	19	19	W. Springfield	27	27
Concord	19	19a	Lynn	9	9	Revere	2	2	Westwood	19	19
Danvers	25	25	Lynnfield	25	25	Rockland	19	19	Weymouth	19	19
Dartmouth	28	28	Malden	6	6	Rockport	30	30	Whitman	19	19a
Dedham	12	12	Marblehead	25	25	Salem	12	12a	Wilbraham	27	27
Dover	19	19	Marlborough	19	19a	Salisbury	23	23	Wilmington	13	13
Dracut	22	22	Medfield	19	19a	Saugus	9	9	Winchester	20	20
East Longmeadow	27	27	Medford	10	10	Scituate	19	19a	Winthrop	7	7
Essex	25	25a	Medway	19	19a	Sharon	19	19a	Woburn	12	12a
Everett	4	4	Melrose	19	19	Sherborn	19	19a	Worcester	15	15
Fairhaven	28	28	Merrimac	22	22a	Shrewsbury	26	26			
			Methuen	22	22	Somerset	28	28	Bal. of State	30	30a

1935 MASSACHUSETTS

PUBLIC LIABILITY & PROPERTY DAMAGE RATES—PLEASURE CARS

PL Premiums For $5,000/$10,000 — PD Premiums For $5,000

1935 MASSACHUSETTS

Date Interval Inc.	Per Cent	Extra Territorial (All Territories)			TERRITORY 1						TERRITORY 2						TERRITORY 3					
					W		X		Y		W		X		Y		W		X		Y	
		W	X	Y	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.
Jan. 1 to 15	100	$4.00	$4.00	$6.00	$72.00	$23.00	$72.00	$26.00	$76.00	$30.00	$71.00	$23.00	$71.00	$26.00	$74.00	$30.00	$61.00	$20.00	$61.00	$23.00	$64.00	$27.00
Jan. 16 to 31	98	3.92	3.92	5.88	70.56	22.54	70.56	25.48	74.48	29.40	69.58	22.54	69.58	25.48	72.52	29.40	59.78	19.60	59.78	22.54	62.72	26.46
Feb. 1 to 15	94	3.76	3.76	5.64	67.68	21.62	67.68	24.44	71.44	28.20	66.74	21.62	66.74	24.44	69.56	28.20	57.34	18.80	57.34	21.62	60.16	25.38
Feb. 16 to 28	91	3.64	3.64	5.46	65.52	20.93	65.52	23.66	69.16	27.30	64.61	20.93	64.61	23.66	67.34	27.30	55.51	18.20	55.51	20.93	58.24	24.57
Mar. 1 to 15	87	3.48	3.48	5.22	62.64	20.01	62.64	22.62	66.12	26.10	61.77	20.01	61.77	22.62	64.38	26.10	53.07	17.40	53.07	20.01	55.68	23.49
Mar. 16 to 31	84	3.36	3.36	5.04	60.48	19.32	60.48	21.84	63.84	25.20	59.64	19.32	59.64	21.84	62.16	25.20	51.24	16.80	51.24	19.32	53.76	22.68
April 1 to 15	80	3.20	3.20	4.80	57.60	18.40	57.60	20.80	60.80	24.00	56.80	18.40	56.80	20.80	59.20	24.00	48.80	16.00	48.80	18.40	51.20	21.60
April 16 to 30	77	3.08	3.08	4.62	55.44	17.71	55.44	20.02	58.52	23.10	54.67	17.71	54.67	20.02	56.98	23.10	46.97	15.40	46.97	17.71	49.28	20.79
May 1 to 15	74	2.96	2.96	4.44	53.28	17.02	53.28	19.24	56.24	22.20	52.54	17.02	52.54	19.24	54.76	22.20	45.14	14.80	45.14	17.02	47.36	19.98
May 16 to 31	71	2.84	2.84	4.26	51.12	16.33	51.12	18.46	53.96	21.30	50.41	16.33	50.41	18.46	52.54	21.30	43.31	14.20	43.31	16.33	45.44	19.17
June 1 to 15	67	2.68	2.68	4.02	48.24	15.41	48.24	17.42	50.92	20.10	47.57	15.41	47.57	17.42	49.58	20.10	40.87	13.40	40.87	15.41	42.88	18.09
June 16 to 30	64	2.56	2.56	3.84	46.08	14.72	46.08	16.64	48.64	19.20	45.44	14.72	45.44	16.64	47.36	19.20	39.04	12.80	39.04	14.72	40.96	17.28
July 1 to 15	60	2.40	2.40	3.60	43.20	13.80	43.20	15.60	45.60	18.00	42.60	13.80	42.60	15.60	44.40	18.00	36.60	12.00	36.60	13.80	38.40	16.20
July 16 to 31	56	2.24	2.24	3.36	40.32	12.88	40.32	14.56	42.56	16.80	39.76	12.88	39.76	14.56	41.44	16.80	34.16	11.20	34.16	12.88	35.84	15.12
Aug. 1 to 15	51	2.04	2.04	3.06	36.72	11.73	36.72	13.26	38.76	15.30	36.21	11.73	36.21	13.26	37.74	15.30	31.11	10.20	31.11	11.73	32.64	13.77
Aug. 16 to 31	47	1.88	1.88	2.82	33.84	10.81	33.84	12.22	35.72	14.10	33.37	10.81	33.37	12.22	34.78	14.10	28.67	9.40	28.67	10.81	30.08	12.69
Sept. 1 to 15	42	1.68	1.68	2.52	30.24	9.66	30.24	10.92	31.92	12.60	29.82	9.66	29.82	10.92	31.08	12.60	25.62	8.40	25.62	9.66	26.88	11.34
Sept. 16 to 30	38	1.52	1.52	2.28	27.36	8.74	27.36	9.88	28.88	11.40	26.98	8.74	26.98	9.88	28.12	11.40	23.18	7.60	23.18	8.74	24.32	10.26
Oct. 1 to 15	33	1.32	1.32	1.98	23.76	7.59	23.76	8.58	25.08	9.90	23.43	7.59	23.43	8.58	24.42	9.90	20.13	6.60	20.13	7.59	21.12	8.91
Oct. 16 to 31	29	1.16	1.16	1.74	20.88	6.67	20.88	7.54	22.04	8.70	20.59	6.67	20.59	7.54	21.46	8.70	17.69	5.80	17.69	6.67	18.56	7.83
Nov. 1 to 15	24	1.00	1.00	1.44	17.28	5.52	17.28	6.24	18.24	7.20	17.04	5.52	17.04	6.24	17.76	7.20	14.64	4.80	14.64	5.52	15.36	6.48
Nov. 16 to 30	20	1.00	1.00	1.20	14.40	4.60	14.40	5.20	15.20	6.00	14.20	4.60	14.20	5.20	14.80	6.00	12.20	4.00	12.20	4.60	12.80	5.40
Dec. 1 to 15	15	1.00	1.00	1.00	10.80	3.45	10.80	3.90	11.40	4.50	10.65	3.45	10.65	3.90	11.10	4.50	9.15	3.00	9.15	3.45	9.60	4.05
Dec. 16 to 31	10	1.00	1.00	1.00	7.20	2.30	7.20	2.60	7.60	3.00	7.10	2.30	7.10	2.60	7.40	3.00	6.10	2.00	6.10	2.30	6.40	2.70

Date Interval Inc.	Per Cent	TERRITORY 4						TERRITORIES 5-6						TERRITORY 7						TERRITORY 8					
		W		X		Y		W		X		Y		W		X		Y		W		X		Y	
		P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.
Jan. 1 to 15	100	$54 00	$18 00	$54 00	$20.00	$59.00	$24 00	$47.00	$17.00	$47.00	$19.00	$52.00	$22.00	$44.00	$17.00	$44 00	$19.00	$49.00	$22.00	$44.00	$15.00	$44.00	$17.00	$49.00	$21.00
Jan. 16 to 31	98	52 92	17 64	52 92	19.60	57.82	23.52	46 06	16.66	46.06	18.62	50.96	21.56	43.12	16.66	43.12	18.62	48.02	21.56	43.12	14.70	43.12	16.66	48.02	20.58
Feb. 1 to 15	94	50 76	16 92	50 76	18.80	55.46	22.56	44 18	15 98	44.18	17.86	48.88	20 68	41.36	15.98	41.36	17 86	46.06	20.68	41.36	14.10	41.36	15.98	46 06	19.74
Feb. 16 to 28	91	49.14	16 38	49 14	18.20	53.69	21.84	42 77	15.47	42.77	17.29	47.32	20.02	40.04	15.47	40 04	17.29	44.59	20.02	40.04	13.65	40.04	15.47	44.59	19.11
Mar. 1 to 15	87	46.98	15 66	46 98	17 40	51.33	20.88	40 89	14.79	40.89	16.53	45.24	19.14	38.28	14.79	38 28	16.53	42.63	19.14	38.28	13.05	38.28	14.79	42.63	18.27
Mar. 16 to 31	84	45.36	15.12	45.36	16.80	49.56	20.16	39.48	14.28	39.48	15.96	43.68	18.48	36.96	14.28	36.96	15.96	41.16	18.48	36.96	12.60	36.96	14.28	41.16	17.64
April 1 to 15	80	43 20	14 40	43 20	16 00	47 20	19 20	37 60	13.60	37.60	15.20	41.60	17.60	35 20	13.60	35.20	15.20	39 20	17.60	35.20	12.00	35.20	13.60	39.20	16.80
April 16 to 30	77	41 58	13.86	41 58	15 40	45.43	18 48	36 19	13.09	36.19	14 63	40.04	16 94	33 88	13.09	33.88	14.63	37 73	16 94	33.88	11.55	33 88	13.09	37.73	16.17
May 1 to 15	74	39 96	13.32	39 96	14 80	43.66	17 76	34.78	12 58	34 78	14.06	38.48	16.28	32 56	12.58	32.56	14 06	36 26	16.28	32.56	11.10	32.56	12 58	36.26	15.54
May 16 to 31	71	38.34	12.78	38 34	14 20	41.89	17.04	33 37	12 07	33.37	13 49	36 92	15 62	31 24	12.07	31.24	13 49	34.79	15.62	31.24	10 65	31.24	12.07	34.79	14.91
June 1 to 15	67	36 18	12 06	36 18	13 40	39 53	16.08	31.49	11.39	31.49	12.73	34.84	14 74	29 48	11.39	29.48	12 73	32 83	14.74	29.48	10 05	29.48	11.39	32.83	14.07
June 16 to 30	64	34.56	11.52	34 56	12 80	37.76	15.36	30.08	10.88	30.08	12.16	33.28	14 08	28.16	10.88	28.16	12.16	31.36	14.08	28.16	9.60	28.16	10.88	31.36	13.44
July 1 to 15	60	32 40	10 80	32 40	12.00	35 40	14 40	28 20	10 20	28 20	11.40	31.20	13.20	26 40	10.20	26 40	11 40	29 40	13 20	26.40	9.00	26.40	10 20	29.40	12.60
July 16 to 31	56	30 24	10 08	30 24	11 20	33 04	13.44	26.32	9 52	26.32	10 64	29 12	12.32	24 64	9.52	24 64	10 64	27.44	12.32	24.64	8.40	24 64	9 52	27.44	11.76
Aug. 1 to 15	51	27 54	9 18	27 54	10 20	30 09	12 24	23 97	8.67	23 97	9.69	26 52	11.22	22 44	8 67	22 44	9 69	24 99	11 22	22.44	7.65	22.44	8.67	24 99	10 71
Aug. 16 to 31	47	25 38	8 46	25 38	9 40	27 73	11.28	22 09	7 99	22.09	8 93	24 44	10.34	20 68	7 99	20 68	8 93	23 03	10 34	20 68	7.05	20.68	7.99	23.03	9.87
Sept. 1 to 15	42	22 68	7 56	22 68	8 40	24 78	10.08	19 74	7 14	19 74	7 98	21 84	9 24	18 48	7 14	18.48	7 98	20 58	9 24	18.48	6.30	18.48	7 14	20 58	8.82
Sept. 16 to 30	38	20.52	6.84	20.52	7.60	22.42	9.12	17.86	6.46	17.86	7.22	19.76	8.36	16.72	6.46	16.72	7 22	18.62	8.36	16.72	5.70	16.72	6.46	18.62	7.98
Oct. 1 to 15	33	17.82	5.94	17.82	6 60	19.47	7.92	15.51	5.61	15.51	6.27	17 16	7 26	14 52	5 61	14.52	6.27	16 17	7 26	14.52	4 95	14 52	5 61	16.17	6.93
Oct. 16 to 31	29	15 66	5 22	15.66	5 80	17.11	6.96	13.63	4.93	13.63	5.51	15 08	6.38	12 76	4 93	12.76	5.51	14 21	6.38	12 76	4.35	12 76	4.93	14.21	6.09
Nov. 1 to 15	24	12 96	4 32	12 96	4 80	14 16	5 76	11.28	4.08	11.28	4.56	12 48	5.28	10 56	4 08	10 56	4 56	11 76	5 28	10 56	3 60	10 56	4.08	11.76	5.04
Nov. 16 to 30	20	10.80	3 60	10.80	4.00	11 80	4.80	9.40	3.40	9.40	3.80	10.40	4 40	8.80	3.40	8.80	3 80	9.80	4 40	8.80	3 00	8 80	3.40	9 80	4 20
Dec. 1 to 15	15	8 10	2.70	8 10	3.00	8.85	3.60	7.05	2.55	7.05	2.85	7.80	3.30	6 60	2 55	6.60	2 85	7.35	3 30	6.60	2.25	6 60	2.55	7.35	3.15
Dec. 16 to 31	10	5.40	2.00	5.40	2.00	5.90	2.40	5.00	2.00	5.00	2.00	5.20	2.20	5.00	2.00	5.00	2.00	5.00	2.20	5.00	2.00	5.00	2.00	5.00	2.10

Date Interval Inc.	Per Cent	TERRITORIES 9-10-11						TERRITORIES 12-12A						TERRITORY 13						TERRITORY 14					
		W		X		Y		W		X		Y		W		X		Y		W		X		Y	
		P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.
Jan. 1 to 15	100	$42 00	$13.00	$42.00	$15.00	$46.00	$19.00	$36.00	$12.00	$36.00	$14.00	$40.00	$18.00	$36.00	$13.00	$36.00	$15.00	$40.00	$19.00	$36 00	$12 00	$36.00	$14 00	$40.00	$18 00
Jan. 16 to 31	98	41.16	12.74	41.16	14.70	45.08	18.62	35.28	11.76	35.28	13.72	39.20	17.64	35.28	12.74	35.28	14 70	39.20	18.62	35.28	11.76	35.28	13.72	39.20	17 64
Feb. 1 to 15	94	39.48	12.22	39.48	14.10	43.24	17.86	33.84	11.28	33.84	13.16	37 60	16 92	33.84	12.22	33.84	14.10	37.60	17.86	33.84	11.28	33.84	13 16	37.60	16 92
Feb. 16 to 28	91	38.22	11.83	38.22	13.65	41.86	17.29	32.76	10.92	32.76	12.74	36.40	16.38	32.76	11.83	32.76	13.65	36 40	17.29	32.76	10.92	32.76	12.74	36.40	16 38
Mar. 1 to 15	87	36.54	11.31	36.54	13.05	40.02	16.53	31.32	10.44	31.32	12.18	34.80	15.66	31.32	11.31	31.32	13.05	34.80	16.53	31.32	10.44	31.32	12.18	34.80	15 66
Mar. 16 to 31	84	35.28	10.92	35.28	12.60	38.64	15.96	30.24	10.08	30.24	11.76	33.60	15.12	30.24	10.92	30.24	12.60	33.60	15.96	30.24	10.08	30.24	11.76	33.60	15.12
April 1 to 15	80	33 60	10 40	33.60	12.00	36.80	15.20	28.80	9.60	28 80	11.20	32.00	14.40	28.80	10 40	28.80	12.00	32.00	15.20	28.80	9.60	28.80	11 20	32.00	14 40
April 16 to 30	77	32 34	10.01	32.34	11.55	35.42	14.63	27.72	9.24	27.72	10.78	30.80	13.86	27.72	10 01	27 72	11.55	30 80	14.63	27.72	9.24	27.72	10.78	30.80	13 86
May 1 to 15	74	31 08	9.62	31 08	11.10	34.04	14.06	26.64	8 88	26.64	10.36	29.60	13.32	26.64	9.62	26.64	11.10	29.60	14.06	26.64	8.88	26.64	10.36	29.60	13 32
May 16 to 31	71	29 82	9.23	29 82	10.65	32.66	13.49	25.56	8.52	25.56	9 94	28.40	12.78	25.56	9 23	25.56	10.65	28.40	13.49	25.56	8.52	25.56	9.94	28 40	12 78
June 1 to 15	67	28 14	8.71	28 14	10.05	30.82	12.73	24.12	8.04	24.12	9 38	26.80	12.06	24.12	8.71	24.12	10.05	26.80	12.73	24.12	8 04	24 12	9 38	26.80	12 06
June 16 to 30	64	26.88	8.32	26 88	9.60	29.44	12.16	23.04	7.68	23.04	8.96	25.60	11.52	23.04	8.32	23.04	9.60	25.60	12.16	23.04	7.68	23.04	8.96	25.60	11.52
July 1 to 15	60	25 20	7.80	25.20	9.00	27.60	11.40	21.60	7.20	21.60	8.40	24.00	10.80	21.60	7.80	21.60	9.00	24.00	11.40	21.60	7.20	21 60	8.40	24 00	10 80
July 16 to 31	56	23 52	7.28	23.52	8.40	25.76	10.64	20 16	6.72	20 16	7.84	22.40	10.08	20.16	7.28	20.16	8.40	22.40	10.64	20.16	6.72	20.16	7.84	22 40	10 08
Aug. 1 to 15	51	21 42	6.63	21 42	7.65	23.46	9.69	18.36	6.12	18.36	7 14	20.40	9.18	18.36	6.63	18.36	7 65	20 40	9.69	18.36	6.12	18.36	7.14	20 40	9.18
Aug. 16 to 31	47	19.74	6.11	19.74	7.05	21.62	8.93	16.92	5.64	16.92	6 58	18.80	8.46	16.92	6.11	16.92	7.05	18.80	8 93	16.92	5.64	16 92	6 58	18 80	8 46
Sept. 1 to 15	42	17 64	5.46	17.64	6.30	19.32	7.98	15 12	5.04	15.12	5.88	16 80	7.56	15.12	5.46	15 12	6.30	16.80	7.98	15.12	5.04	15.12	5 88	16.80	7 56
Sept. 16 to 30	38	15.96	4.94	15.96	5.70	17.48	7.22	13.68	4.56	13.68	5.32	15.20	6.84	13.68	4.94	13.68	5.70	15.20	7.22	13.68	4.56	13.68	5.32	15.20	6.84
Oct. 1 to 15	33	13 86	4 29	13 86	4 95	15.18	6 27	11.88	3.96	11.88	4.62	13 20	5 94	11.88	4.29	11.88	4.95	13.20	6.27	11.88	3.96	11.88	4 62	13 20	5 94
Oct. 16 to 31	29	12 18	3 77	12 18	4 35	13.34	5 51	10.44	3.48	10 44	4.06	11 60	5 22	10.44	3.77	10.44	4 35	11.60	5.51	10.44	3 48	10.44	4 06	11.60	5 22
Nov. 1 to 15	24	10 08	3.12	10.08	3.60	11.04	4.56	8.64	2.88	8 64	3.36	9.60	4.32	8.64	3.12	8.64	3.60	9.60	4 56	8 64	2.88	8.64	3 36	9 60	4 32
Nov. 16 to 30	20	8 40	2.60	8.40	3.00	9.20	3.80	7.20	2.40	7.20	2 80	8.00	3.60	7.20	2.60	7 20	3.00	8 00	3.80	7.20	2 40	7 20	2 80	8 00	3 60
Dec. 1 to 15	15	6 30	2.00	6 30	2.25	6.90	2.85	5.40	2.00	5.40	2.10	6 00	2.70	5 40	2 00	5.40	2.25	6 00	2 85	5 40	2.00	5 40	2 10	6 00	2.70
Dec. 16 to 31	10	5 00	2.00	5.00	2.00	5.00	2.00	5.00	2 00	5.00	2 00	5.00	2.00	5.00	2 00	5.00	2 00	5 00	2.00	5.00	2.00	5.00	2 00	5.00	2 00

Date Interval Inc.	Per Cent	TERRITORY 15						TERRITORY 16						TERRITORIES 17-18-19-19A						TERRITORY 20					
		W		X		Y		W		X		Y		W		X		Y		W		X		Y	
		P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.
Jan. 1 to 15	100	$36.00	$11 00	$36.00	$13.00	$39 00	$16.00	$35.00	$13.00	$35 00	$15 00	$39.00	$19.00	$31.00	$11 00	$31.00	$13.00	$34 00	$16 00	$31.00	$12 00	$31.00	$14 00	$34 00	$18 00
Jan. 16 to 31	98	35.28	10 78	35.28	12 74	38 22	15.68	34 30	12 74	34 30	14 70	38 22	18.62	30 38	10 78	30.38	12 74	33.32	15.68	30.38	11.76	30.38	13.72	33 32	17.64
Feb. 1 to 15	94	33.84	10 34	33 84	12.22	36.66	15.04	32 90	12 22	32 90	14.10	36 66	17.86	29 14	10 34	29.14	12.22	31.96	15.04	29 14	11.28	29.14	13.16	31.96	16 92
Feb. 16 to 28	91	32.76	10.01	32 76	11.83	35 49	14.56	31 85	11.83	31.85	13.65	35.49	17 29	28 21	10 01	28.21	11.83	30.94	14 56	28.21	10.92	28.21	12.74	30 94	16.38
Mar. 1 to 15	87	31.32	9.57	31.32	11.31	33.93	13.92	30 45	11.31	30.45	13 05	33 93	16.53	26.97	9 57	26.97	11.31	29 58	13 92	26.97	10.44	26.97	12.18	29.58	15.66
Mar. 16 to 31	84	30.24	9.24	30.24	10.92	32.76	13.44	29.40	10.92	29.40	12.60	32.76	15.96	26.04	9.24	26.04	10.92	28.56	13.44	26.04	10.08	26 04	11.76	28.56	15.12
April 1 to 15	80	28 80	8.80	28 80	10.40	31 20	12.80	28 00	10 40	28 00	12.00	31 20	15.20	24 80	8.80	24.80	10.40	27.20	12.80	24 80	9 60	24 80	11.20	27.20	14.40
April 16 to 30	77	27.72	8 47	27 72	10 01	30 03	12 32	26 95	10 01	26.95	11 55	30 03	14 63	23 87	8.47	23 87	10 01	26.18	12.32	23.87	9 24	23 87	10.78	26.18	13.86
May 1 to 15	74	26 64	8 14	26 64	9.62	28.86	11 84	25 90	9 62	25 90	11 10	28 86	14 06	22 94	8.14	22 94	9 62	25.16	11.84	22 94	8.88	22 94	10.36	25 16	13.32
May 16 to 31	71	25.56	7.81	25 56	9.23	27 69	11 36	24 85	9 23	24 85	10 65	27 69	13 49	22 01	7.81	22 01	9 23	24 14	11 36	22 01	8 52	22 01	9 94	24.14	12.78
June 1 to 15	67	24 12	7.37	24 12	8 71	26.13	10 72	23 45	8 71	23 45	10.05	26 13	12.73	20 77	7.37	20 77	8 71	22 78	10 72	20 77	8 04	20 77	9 38	22.78	12 06
June 16 to 30	64	23.04	7.04	23.04	8.32	24.96	10.24	22.40	8.32	22.40	9.60	24.96	12.16	19.84	7.04	19.84	8.32	21.76	10.24	19.84	7.68	19.84	8.96	21 76	11.52
July 1 to 15	60	21.60	6.60	21 60	7.80	23 40	9.60	21 00	7 80	21 00	9 00	23 40	11.40	18 60	6 60	18 60	7 80	20 40	9 60	18.60	7 20	18.60	8.40	20 40	10 80
July 16 to 31	56	20 16	6 16	20 16	7 28	21.84	8.96	19 60	7 28	19 60	8 40	21 84	10 64	17 36	6 16	17.36	7 28	19 04	8.96	17.36	6.72	17.36	7 84	19 04	10.08
Aug. 1 to 15	51	18 36	5.61	18.36	6 63	19 89	8 16	17 85	6.63	17 85	7 65	19.89	9 69	15 81	5 61	15.81	6.63	17.34	8.16	15 81	6 12	15 81	7.14	17.34	9.18
Aug. 16 to 31	47	16 92	5 17	16 92	6 11	18.33	7.52	16 45	6.11	16 45	7 05	18.33	8 93	14 57	5 17	14 57	6 11	15 98	7 52	14.57	5.64	14.57	6 58	15.98	8.46
Sept. 1 to 15	42	15 12	4 62	15.12	5 46	16 38	6 72	14 70	5 46	14.70	6 30	16 38	7 98	13 02	4 62	13 02	5 46	14 28	6.72	13 02	5.04	13 02	5 88	14 28	7.56
Sept. 16 to 30	38	13.68	4.18	13.68	4 94	14.82	6.08	13.30	4.94	13.30	5.70	14.82	7.22	11.78	4.18	11.78	4.94	12.92	6.08	11.78	4.56	11 78	5.32	12.92	6.84
Oct. 1 to 15	33	11.88	3 63	11.83	4.29	12.87	5.28	11 55	4 29	11.55	4.95	12.87	6 27	10 23	3.63	10 23	4 29	11 22	5.28	10.23	3.96	10 23	4.62	11 22	5.94
Oct. 16 to 31	29	10.44	3.19	10 44	3.77	11 31	4.64	10 15	3 77	10 15	4 35	11 31	5.51	8 99	3 19	8 99	3 77	9 86	4 64	8.99	3.48	8.99	4 06	9.86	5.22
Nov. 1 to 15	24	8.64	2 64	8.64	3 12	9.36	3.84	8 40	3 12	8 40	3 60	9.36	4 56	7 44	2 64	7 44	3 12	8.16	3.84	7 44	2 88	7.44	3 36	8.16	4.32
Nov. 16 to 30	20	7.20	2 20	7.20	2.60	7.80	3.20	7.00	2 60	7 00	3 00	7 80	3 80	6 20	2 20	6 20	2.60	6 80	3.20	6.20	2.40	6.20	2 80	6 80	3.60
Dec. 1 to 15	15	5.40	2 00	5 40	2 00	5.85	2.40	5 25	2 00	5 25	2 25	5 85	2 85	5 00	2 00	5 00	2 00	5 10	2 40	5.00	2 00	5.00	2 10	5.10	2.70
Dec. 16 to 31	10	5.00	2 00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2 00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2 00	5.00	2.00	5.00	2.00

PUBLIC LIABILITY AND PROPERTY DAMAGE RATES—PLEASURE CARS

(Continued)

Date Interval Inc.	Per Cent	TERRITORY 21						TERRITORIES 22-22A						TERRITORY 23						TERRITORY 24					
		W		X		Y		W		X		Y		W		X		Y		W		X		Y	
		P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.
Jan. 1 to 15	100	$31 00	$13 00	$31 00	$15 00	$34 00	$19 00	$29 00	$12 00	$29 00	$14 00	$32 00	$18 00	$29 00	$11 00	$29 00	$13 00	$32 00	$16 00	$30 00	$11 00	$30 00	$13 00	$32 00	$16 00
Jan. 16 to 31	98	30 38	12 74	30 38	14 70	33 32	18 62	28 42	11 76	28 42	13 72	31 36	17 64	28 42	10 78	28.42	12.74	31.36	15 68	29 40	10 78	29 40	12 74	31 36	15 68
Feb. 1 to 15	94	29 14	12 22	29 14	14 10	31 96	17.86	27 26	11 28	27 26	13 16	30 08	16 92	27 26	10 34	27 26	12 22	30 08	15 04	28 20	10.34	28 20	12 22	30 08	15.04
Feb. 16 to 28	91	28 21	11 83	28 21	13 65	30 94	17 29	26 39	10 92	26 39	12 74	29 12	16 38	26 39	10 01	26 39	11.83	29 12	14 56	27 30	10.01	27.30	11 83	29 12	14 56
Mar. 1 to 15	87	26 97	11 31	26 97	13 05	29 58	16 53	25 23	10 44	25 23	12.18	27 84	15 66	25.23	9.57	25.23	11.31	27.84	13 92	26 10	9.57	26 10	11 31	27 84	13.92
Mar. 16 to 31	84	26.04	10 92	26.04	12.60	28.56	15.96	24.36	10.08	24.36	11.76	26.88	15.12	24.36	9.24	24.36	10.92	26.88	13.44	25.20	9.24	25.20	10.92	26.88	13 44
April 1 to 15	80	24 80	10 40	24 80	12.00	27 20	15 20	23 20	9 60	23 20	11.20	25 60	14 40	23 20	8.80	23 20	10 40	25.60	12.80	24 00	8.80	24.00	10 40	25 60	12.80
April 16 to 30	77	23 87	10 01	23 87	11 55	26 18	14 63	22 33	9 24	22 33	10 78	24 64	13 86	22 33	8.47	22 33	10.01	24 64	12 32	23 10	8.47	23.10	10 01	24 64	12.32
May 1 to 15	74	22 94	9 62	22 94	11.10	25 16	14 06	21 46	8 88	21 46	10 36	23 68	13 32	21 46	8.14	21 46	9.62	23 68	11.84	22 20	8.14	22 20	9 62	23.68	11.84
May 16 to 31	71	22 01	9 23	22 01	10 65	24 14	13 49	20 59	8 52	20 59	9.94	22 72	12 78	20 59	7.81	20 59	9.23	22 72	11 36	21 30	7.81	21 30	9 23	22.72	11 36
June 1 to 15	67	20 77	8 71	20 77	10 05	22 78	12 73	19 43	8 04	19 43	9 38	21 44	12.06	19 43	7 37	19.43	8.71	21 44	10 72	20 10	7.37	20 10	8.71	21 44	10 72
June 16 to 30	64	19.84	8 32	19.84	9.60	21.76	12 16	18.56	7.68	18.56	8.96	20.48	11.52	18.56	7.04	18.56	8.32	20 48	10.24	19.20	7.04	19.20	8.32	20.48	10.24
July 1 to 15	60	18 60	7 80	18.60	9 00	20 40	11 40	17 40	7 20	17.40	8 40	19 20	10 80	17 40	6.60	17.40	7 80	19 20	9 60	18 00	6.60	18 00	7 80	19.20	9.60
July 16 to 31	56	17 36	7 28	17.36	8 40	19 04	10 64	16 24	6 72	16 24	7.84	17 92	10 08	16 24	6 16	16 24	7.28	17 92	8 96	16 80	6.16	16 80	7.28	17 92	8.96
Aug. 1 to 15	51	15 81	6.63	15.81	7 65	17 34	9 69	14 79	6 12	14 79	7 14	16.32	9 18	14 79	5 61	14 79	6.63	16.32	8 16	15 30	5 61	15.30	6 63	16.32	8.16
Aug. 16 to 31	47	14 57	6 11	14 57	7.05	15 98	8 93	13 63	5 64	13.63	6.58	15.04	8 46	13 63	5 17	13 63	6.11	15 04	7 52	14 10	5 17	14 10	6 11	15 04	7.52
Sept. 1 to 15	42	13 02	5.46	13.02	6 30	14 28	7 98	12 18	5 04	12.18	5.88	13.44	7 56	12.18	4 62	12.18	5 46	13.44	6 72	12 60	4.62	12.60	5 46	13.44	6.72
Sept. 16 to 30	38	11.78	4.94	11.78	5.70	12.92	7.22	11.02	4.56	11.02	5.32	12.16	6.84	11.02	4.18	11.02	4.94	12.16	6.08	11.40	4.18	11.40	4.94	12.16	6.08
Oct. 1 to 15	33	10.23	4 29	10.23	4 95	11.22	6 27	9 57	3.96	9 57	4.62	10.56	5.94	9 57	3.63	9.57	4 29	10 56	5 28	9 90	3.63	9 90	4 29	10 56	5.28
Oct. 16 to 31	29	8.99	3 77	8.99	4.35	9.86	5.51	8 41	3.48	8.41	4.06	9 28	5.22	8 41	3.19	8 41	3.77	9 28	4 64	8 70	3.19	8 70	3.77	9.28	4.64
Nov. 1 to 15	24	7.44	3 12	7.44	3.60	8.16	4 56	6 96	2.88	6 96	3.36	7.68	4 32	6 96	2.64	6.96	3.12	7.68	3 84	7 20	2.64	7 20	3.12	7.68	3.84
Nov. 16 to 30	20	6 20	2 60	6 20	3.00	6 80	3 80	5 80	2 40	5 80	2 80	6.40	3.60	5 80	2 20	5 80	2 60	6 40	3 20	6 00	2 20	6 00	2 60	6 40	3.20
Dec. 1 to 15	15	5 00	2 00	5.00	2 25	5 10	2.85	5 00	2 00	5.00	2 10	5.00	2 70	5 00	2 00	5 00	2 00	5.00	2 40	5 00	2 00	5 00	2 00	5.00	2 40
Dec. 16 to 31	10	5.00	2 00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5 00	2 00	5.00	2.00	5.00	2.00

Date Interval Inc.	Per Cent	TERRITORIES 25-25A						TERRITORIES 26-26A						TERRITORY 27						TERRITORY 28					
		W		X		Y		W		X		Y		W		X		Y		W		X		Y	
		P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.	P. L.	P. D.
Jan. 1 to 15	100	$27.00	$11.00	$27.00	$13.00	$29.00	$16.00	$25.00	$9.00	$25.00	$10.00	$28.00	$13.00	$24.00	$11.00	$24.00	$13.00	$27.00	$16.00	$24.00	$9.00	$24.00	$10.00	$27.00	$13.00
Jan. 16 to 31	98	26.46	10.78	26.46	12.74	28.42	15.68	24.50	8.82	24.50	9.80	27.44	12.74	23.52	10.78	23.52	12.74	26.46	15.68	23.52	8.82	23.52	9.80	26.46	12.74
Feb. 1 to 15	94	25.38	10.34	25.38	12.22	27.26	15.04	23.50	8.46	23.50	9.40	26.32	12.22	22.56	10.34	22.56	12.22	25.38	15.04	22.56	8.46	22.56	9.40	25.38	12.22
Feb. 16 to 28	91	24.57	10.01	24.57	11.83	26.39	14.56	22.75	8.19	22.75	9.10	25.48	11.83	21.84	10.01	21.84	11.83	24.57	14.56	21.84	8.19	21.84	9.10	24.57	11.83
Mar. 1 to 15	87	23.49	9.57	23.49	11.31	25.23	13.92	21.75	7.83	21.75	8.70	24.36	11.31	20.88	9.57	20.88	11.31	23.49	13.92	20.88	7.83	20.88	8.70	23.49	11.31
Mar. 16 to 31	84	22.68	9.24	22.68	10.92	24.36	13.44	21.00	7.56	21.00	8.40	23.52	10.92	20.16	9.24	20.16	10.92	22.68	13.44	20.16	7.56	20.16	8.40	22.68	10.92
April 1 to 15	80	21.60	8.80	21.60	10.40	23.20	12.80	20.00	7.20	20.00	8.00	22.40	10.40	19.20	8.80	19.20	10.40	21.60	12.80	19.20	7.20	19.20	8.00	21.60	10.40
April 16 to 30	77	20.79	8.47	20.79	10.01	22.33	12.32	19.25	6.93	19.25	7.70	21.56	10.01	18.48	8.47	18.48	10.01	20.79	12.32	18.48	6.93	18.48	7.70	20.79	10.01
May 1 to 15	74	19.98	8.14	19.98	9.62	21.46	11.84	18.50	6.66	18.50	7.40	20.72	9.62	17.76	8.14	17.76	9.62	19.98	11.84	17.76	6.66	17.76	7.40	19.98	9.62
May 16 to 31	71	19.17	7.81	19.17	9.23	20.59	11.36	17.75	6.39	17.75	7.10	19.88	9.23	17.04	7.81	17.04	9.23	19.17	11.36	17.04	6.39	17.04	7.10	19.17	9.23
June 1 to 15	67	18.09	7.37	18.09	8.71	19.43	10.72	16.75	6.03	16.75	6.70	18.76	8.71	16.08	7.37	16.08	8.71	18.09	10.72	16.08	6.03	16.08	6.70	18.09	8.71
June 16 to 30	64	17.28	7.04	17.28	8.32	18.56	10.24	16.00	5.76	16.00	6.40	17.92	8.32	15.36	7.04	15.36	8.32	17.28	10.24	15.36	5.76	15.36	6.40	17.28	8.32
July 1 to 15	60	16.20	6.60	16.20	7.80	17.40	9.60	15.00	5.40	15.00	6.00	16.80	7.80	14.40	6.60	14.40	7.80	16.20	9.60	14.40	5.40	14.40	6.00	16.20	7.80
July 16 to 31	56	15.12	6.16	15.12	7.28	16.24	8.96	14.00	5.04	14.00	5.60	15.68	7.28	13.44	6.16	13.44	7.28	15.12	8.96	13.44	5.04	13.44	5.60	15.12	7.28
Aug. 1 to 15	51	13.77	5.61	13.77	6.63	14.79	8.16	12.75	4.59	12.75	5.10	14.28	6.63	12.24	5.61	12.24	6.63	13.77	8.16	12.24	4.59	12.24	5.10	13.77	6.63
Aug. 16 to 31	47	12.69	5.17	12.69	6.11	13.63	7.52	11.75	4.23	11.75	4.70	13.16	6.11	11.28	5.17	11.28	6.11	12.69	7.52	11.28	4.23	11.28	4.70	12.69	6.11
Sept. 1 to 15	42	11.34	4.62	11.34	5.46	12.18	6.72	10.50	3.78	10.50	4.20	11.76	5.46	10.08	4.62	10.08	5.46	11.34	6.72	10.08	3.78	10.08	4.20	11.34	5.46
Sept. 16 to 30	38	10.26	4.18	10.26	4.94	11.02	6.08	9.50	3.42	9.50	3.80	10.64	4.94	9.12	4.18	9.12	4.94	10.26	6.08	9.12	3.42	9.12	3.80	10.26	4.94
Oct. 1 to 15	33	8.91	3.63	8.91	4.29	9.57	5.28	8.25	2.97	8.25	3.30	9.24	4.29	7.92	3.63	7.92	4.29	8.91	5.28	7.92	2.97	7.92	3.30	8.91	4.29
Oct. 16 to 31	29	7.83	3.19	7.83	3.77	8.41	4.64	7.25	2.61	7.25	2.90	8.12	3.77	6.96	3.19	6.96	3.77	7.83	4.64	6.96	2.61	6.96	2.90	7.83	3.77
Nov. 1 to 15	24	6.48	2.64	6.48	3.12	6.96	3.84	6.00	2.16	6.00	2.40	6.72	3.12	5.76	2.64	5.76	3.12	6.48	3.84	5.76	2.16	5.76	2.40	6.48	3.12
Nov. 16 to 30	20	5.40	2.20	5.40	2.60	5.80	3.20	5.00	2.00	5.00	2.00	5.60	2.60	5.00	2.20	5.00	2.60	5.40	3.20	5.00	2.00	5.00	2.00	5.40	2.60
Dec. 1 to 15	15	5.00	2.00	5.00	2.00	5.00	2.40	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.40	5.00	2.00	5.00	2.00	5.00	2.00
Dec. 16 to 31	10	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00

Date Interval Inc.	Per Cent	TERRITORIES 29-30-30A					
		W		X		Y	
		P. L.	P. D.	P. L.	P. D.	P. L.	P. D.
Jan. 1 to 15	100	$19 00	$9 00	$19 00	$10 00	$22 00	$13.00
Jan. 16 to 31	98	18 62	8.82	18 62	9 80	21 56	12.74
Feb. 1 to 15	94	17 86	8 46	17.86	9 40	20 68	12 22
Feb. 16 to 28	91	17 29	8 19	17 29	9 10	20 02	11 83
Mar. 1 to 15	87	16.53	7 83	16 53	8 70	19 14	11 31
Mar. 16 to 31	84	15.96	7.56	15 96	8.40	18.48	10.92
April 1 to 15	80	15 20	7 20	15 20	8 00	17 60	10 40
April 16 to 30	77	14 63	6 93	14 63	7.70	16 94	10 01
May 1 to 15	74	14 06	6.66	14.06	7.40	16.28	9.62
May 16 to 31	71	13 49	6.39	13.49	7.10	15.62	9.23
June 1 to 15	67	12 73	6 03	12 73	6.70	14.74	8.71
June 16 to 30	64	12.16	5.76	12.16	6.40	14.08	8.32
July 1 to 15	60	11 40	5 40	11 40	6 00	13.20	7 80
July 16 to 31	56	10 64	5 04	10 64	5 60	12.32	7 28
Aug. 1 to 15	51	9 69	4 59	9 69	5 10	11.22	6 63
Aug. 16 to 31	47	8 93	4 23	8 93	4 70	10.34	6.11
Sept. 1 to 15	42	7 98	3 78	7 98	4 20	9.24	5.46
Sept. 16 to 30	38	7 22	3.42	7 22	3.80	8.36	4.94
Oct. 1 to 15	33	6 27	2 97	6 27	3 30	7 26	4 29
Oct. 16 to 31	29	5 51	2 61	5 51	2 90	6.38	3.77
Nov. 1 to 15	24	5 00	2 16	5 00	2 40	5 28	3.12
Nov. 16 to 30	20	5 00	2 00	5 00	2 00	5 00	2.60
Dec. 1 to 15	15	5 00	2 00	5 00	2 00	5 00	2.00
Dec. 16 to 31	10	5.00	2 00	5.00	2.00	5 00	2.00

COMMERCIAL CLASSIFICATIONS

(For others see Manual)

	CLASS
Ambulances used by employer to carry injured employees (not carrying persons for a consideration) *rate Medium*	4
Armored Cars	3
Baggage Transfer	3
Contractors doing General Hauling (rate as "Truckmen")	3
Express Companies (*i.e.*, such companies having express messenger service on trains or boats)	3
Expressmen (see Truckmen Rule)	3
Fire Fighting Apparatus (private concerns) *rate Light*	4
Forwarders	3
Freight Handlers	3
Haulers	3
Hotel Baggage Transfer (trucks owned by hotels)	4
Ice Cream Manufacturers, or Retail or Wholesale Dealers	3
Invalid Carriages—especially equipped and used for carrying invalids, not emergency calls—*rate Medium*	4
Moving Vans or Trucks (moving household goods or office furniture only)	3
Newspaper Publishers — cars used for delivering newspapers	3
Parcel Delivery	3
Parcel Post Delivery (excluding delivery of mail)	4
Private Estate Trucks (rate as "Farmers' Trucks").	
Railway Companies (trucks used in forwarding, hauling or handling freight)	3
Stevedore, excluding general trucking of goods	4
Stevedore, who also engages in general trucking of goods or merchandise	3
Transfer (baggage or express)	3
Transfer (not baggage or express)	3
Transportation Companies (not baggage transfer or express)	3
Truckmen (not express companies)	3
Warehousemen (see Truckmen Rule)	3

ANNUAL RATES—COMMERCIAL CARS

Territories	Heavy	Medium	Light
PUBLIC LIABILITY—CLASS 3			
1-2-3	$129.00	$101.00	$101.00
4-5-6-7-10	129.00	97.00	75.00
8-9-11-12-13-14-15-16-17	104.00	71.00	55.00
18-19-20-21-22-23	90.00	62.00	48.00
24-28	94.00	64.00	50.00
25-26-27-29	72.00	49.00	38.00
30	40.00	35.00	16.00
CLASS 4			
1-2-3	109.00	93.00	82.00
4-5-6-7-10	108.00	75.00	64.00
8-9-11-12-13-14-15-16-17	68.00	47.00	41.00
18-19-20-21-22-23	52.00	36.00	31.00
24-28	49.00	34.00	29.00
25-26-27-29	38.00	26.00	23.00
30	33.00	21.00	14.00
PROPERTY DAMAGE—CLASS 3			
1-2-3-4-5	147.00	104.00	62.00
6-7-8-10-11-12-20	141.00	99.00	59.00
9-12A-13-14-15-16-17-18-19-21-22-24-25-26-27-28	86.00	60.00	36.00
19A-22A-23-25A-26A-29-30-30A	52.00	37.00	23.00
CLASS 4			
1-2-3-4-5	90.00	66.00	38.00
6-7-8-10-11-12-20	86.00	63.00	36.00
9-12A-13-14-15-16-17-18-19-21-22-24-25-26-27-28	53.00	39.00	23.00
19A-22A-23-25A-26A-29-30-30A	32.00	23.00	14.00
EXTRA TERRITORIAL			
Class 3, all territories	7.50	7.50	7.50
Class 4, all territories	7.50	6.00	5.00

EXCESS LIMITS—Table 1

Applicable to Public Liability Coverage on Private Passenger and Commercial Automobiles, and to Garages, Dealers and Manufacturers.

Upper Limits	Lower Limits 5.	10.	15.	20.	25.	50.	100.
10	100%	110%					
15	106	117	121%				
20	108	120	124	127%			
25	109	121	126	129	130%		
30	110	122	128	130	132		
35	111	123	129	132	133		
40	112	124	130	133	134		
45	113	125	131	134	135		
50	114	126	132	135	136	140%	
60	115	127	133	136	137	141	
70	116	128	134	137	138	142	
80	117	129	135	138	139	143	
90	118	130	136	139	140	144	
100	119	131	137	140	141	145	146%
125	120	132	138	141	142	146	147
150	121	133	139	142	143	147	148
175	122	134	140	143	144	148	149
200	123	135	141	144	145	149	150
225	124	136	142	145	146	150	151
250	125	137	143	146	147	151	152
300	126	138	144	147	148	152	153

COMMERCIAL CARS WEIGHT CLASSIFICATIONS

	Heavy	Medium	Light
Public Lisbility	Over 2 T.	Over 1 T. to 2	1 T. or less
Property Damage..	Over 3½ T.	Over 1½ T to 3½	1½ T. or less
EXCEPTION TANK BODIES			
Public Liability.....	Over 500 gal.	251 to 500 gal.	250 gal. or less
Property Damage..	Over 1000 gal.	451 to 1000 gal.	450 gal. or less

PROPERTY DAMAGE
Excess Limits Table

$5,000	100%	$30,000	121%
10,000	110	40,000	123
15,000	115	50,000	125
20,000	118	100,000	130

PLATE GLASS INSURANCE
Pleasure Cars

Open Cars—$3.00 **Closed Cars—$5.00**

REFER LINES

No agent may bind, sign a certificate of insurance for any of the following risks until the permission of the supervising office has been received.

1. Risks which have been declined or cancelled by other companies.
2. Public Automobiles—taxicabs—busses—U-Drivit.
3. Motorcycles.
4. Student risks.
5. Truckmen.
6. Commercial automobiles under classifications No. 1 and No. 2.
7. Dealers in used cars.
8. Automobile wrecking companies.
9. Fleets of five or more commercial type automobiles.
10. Physically or mentally impaired risks.

Practice in reading the Automobile chart, Table XIV, page 131. Practice should be given in reading the automobile rate chart. A suggested illustration is noted:

The figures 6, 8, 4 after the name of the car indicate the number of cylinders in the car.

The years are the serial dates of the car's manufacture.

What is the classification of the

(La Salle - 8	X
(1927-33-All others - 8	Y
De Soto	X
Chevrolet	W
Cadillac	Y
Oldsmobile	X
(Reo	
(1914-35-All	X
(1931-32-8-21-8	X
(1931-34 All others 8	Y

In what territorial divisions for public liability and public damage are the following cities?

	Public Liability	Public Damage
Boston	3	3
Brockton	19	19
Fall River	18	18
Milford	19	19a
Malden	6	6

I What are the Public Liability and Public Damage rates for a car insured:

1. Jan.1-15 in territory 1-W? ($72.00 and $23.00)
2. Feb. 27 " " 2-Y? ($67.34 and $27.30)
3. Mar. 20 " " 3-X? ($51.24 and $19.32)

II What are the Public Liability and Public Damage rates for:

1. A Pontiac, insured in Walpole on Sept. 12? ($13.02 and $5.46)
2. A Pierce Arrow, insured in Waltham on April 26? ($30.80 and $13.86)

III What is meant by extra-territorial coverage? (Covers any accident occurring off the public highway as on private streets, private property, garages, etc.)

1. What will be the extra-territorial charge on a Chevrolet in any territory insured on April 1st? ($3.20)
2. What will be the extra-territorial charge on a 4-cylinder Nash car on Jan. 1st? ($4.00)
3. What will be the public liability and public damage and extra-territorial insurance on a Packard car in Waltham insured March 1st? (Y - 12 - 12a - $34.80
15.66
5.22
$55.68)
4. What will it cost for these three coverages on a 6-cylinder Auburn, 1914-30 series, in Boston, insured July 3rd?

(X - 3 - 3 $36.60
13.80
2.40
$52.80)

TABLE XV

BURGLARY INSURANCE TABLE



Rates for

RESIDENCE BURGLARY, ROBBERY, THEFT *and* LARCENY INSURANCE

TERRITORY IV

Form B229 1M 5-34

RESIDENCE BURGLARY, THEFT *and* LARCENY INSURANCE

PRIVATE RESIDENCE AND TWO FAMILY HOUSES (ANNUAL RATES)

Section A Jewelry Silverware and Furs	Section B HOUSEHOLD AND PERSONAL PROPERTY									
	500	1000	1500	2000	2500	3000	3500	4000	4500	5000
		9.08	11.76	14.44	16.29	18.15	20.01	21.86	23.72	25.57
500	10.59	13.27	15.95	17.80	19.66	21.51	23.37	25.23	27.08	28.53
1000 12.10	14.78	17.46	19.32	21.18	23.03	24.89	26.74	28.60	30.04	31.49
1500 15.67	18.36	20.21	22.07	23.92	25.78	27.64	29.49	30.93	32.38	33.82
2000 19.25	21.11	22.96	24.82	26.68	28.53	30.39	31.83	33.28	34.72	36.16
2500 21.73	23.58	25.44	27.30	29.15	31.01	32.45	33.90	35.34	36.78	38.23
3000 24.20	26.06	27.91	29.77	31.63	33.07	34.51	35.96	37.40	38.84	40.29
3500 26.67	28.53	30.38	32.24	33.68	35.13	36.57	38.02	39.46	40.91	42.35
4000 29.15	31.01	32.86	34.30	35.75	37.19	38.64	40.08	41.53	42.97	44.41
4500 31.63	33.48	34.93	36.37	37.81	39.26	40.70	42.15	43.59	45.03	46.48
5000 34.10	35.54	36.99	38.43	39.88	41.32	42.76	42.21	45.65	47.09	48.54

Premiums for Section A and B found at intersection of the amounts of insurance. Example, 2000 Section A and 1000 Section B Prem. 22.96 (Private Residence).

APARTMENTS, FLATS AND HOTELS (ANNUAL RATES)

Section A Jewelry Silverware and Furs	Section B HOUSEHOLD AND PERSONAL PROPERTY									
	500	1000	1500	2000	2500	3000	3500	4000	4500	5000
		11.14	14.64	18.15	20.83	23.51	25.37	27.22	29.08	30.93
500	12.99	16.50	20.00	22.68	25.36	27.22	29 08	30.93	32.79	34 44
1000 14.85	18.36	21.86	24.54	27.23	29.08	30.94	32.79	34.65	36.30	37.95
1500 19.53	23.03	25.71	28.40	30.25	32.11	33.96	35.82	37.47	39.12	40.77
2000 24.20	26.88	29.56	31.42	33.28	35.13	36.99	38.64	40.29	41.94	43.59
2500 27.78	30.46	32.31	34.17	36.03	37.88	39.53	41.18	42.83	44.48	46.13
3000 31.35	33.21	35.06	36.92	38.78	40.43	42.08	43.73	45.38	47 03	48.68
3500 33.83	35.68	37.54	39.40	41.05	42.70	44.35	46.00	47.65	49.30	50.95
4000 36.30	38.16	40.01	41.66	43.31	44.96	46.61	48.26	49.91	51.56	53 21
4500 38.78	40.63	42.28	43.93	45.58	47.23	48.88	50.53	52.18	53.83	55.48
5000 41.25	42.90	44.55	46.20	47.85	49.50	51.15	52.80	54.45	56.10	57.75

BLANKET *and* SPECIFIC INSURANCE RATES

AMOUNT OF INS.	PRIVATE RESIDENCES TWO FAMILY HOUSES		APARTMENTS, FLATS AND HOTELS	
	100% Blanket Coverage	Specific Insurance (All Forms)	100% Blanket Coverage	Specific Insurance (All Forms)
$1000	$15.13	$5.00	$18.56	$5.50
2000	24.06	10.00	30.25	11.00
3000	30.25	15.00	39.19	16.50
4000	36.44	19.00	45.38	20.90
5000	42.63	22.00	51.56	24.20
Each Add'l 1000	4.81	2.00	5.50	2.20

For Limited Blanket Form 50% of total amount of insurance covering on Jewelry, Silverware and Furs use Section A rates.

If insurance is granted under Section B of divided Form the amount must be at least $500.

PERSONAL HOLD-UP INSURANCE ANNUAL RATES

$1000 ..... $4.00
Each Add'l 1000..... 3.00

Discount the premium under Section A of the Divided Cover (Form 1) Policy, 30% if the 80% Average or Co-Insurance Clause applies provided that there is at least $500 insurance under Section B.

BURGLARY ONLY—Discount Burglary, Theft and Larceny Rates 20% for cover of Burglary Only.

ANNUAL MINIMUM PREMIUMS

The annual minimum premium for each location insured shall be the premium required for $1,000 of insurance at each location.

THREE-YEAR PREMIUMS

Three-Year Policies (Residence and Personal Hold-Up), may be written for three annual premiums less 10% for an installment policy, and with a further discount of 5% for a prepaid policy; installments shall be 50%, 30% and 20% respectively, for the first, second and third years.

Burglary Insurance.

In the lower brackets of income, burglary insurance would probably not be included in the family budget. When the pupils are considering the budgets of the family with a larger income, burglary, fire, automobile, and owner's liability will have to be considered. None of these come under the heading of "savings" in the budget. They should all be taken care of under the heading "operating expenses."

It might be pointed out to the children that when a family has possessions that might be stolen, burglary insurance should be provided. It will be a matter of judgment to decide what articles a family with a specified income would be apt to possess. From statistics, as well as common sense, the articles most likely to be stolen are furs, jewelry, and sterling silver. People of moderate incomes often own these to some extent. Where there is more wealth, there might be antiques, paintings, oriental rugs, valuable heirlooms, and so on. The owner would probably carry specific insurance on these, in which case there would be required a complete description and valuation of each article, and an appraisal.

Suggested problems for practice in using chart XV, page 134. These types might be incorporated later in working out the life insurance for specified incomes.

John lives in a one family house in Boston. His family owns household and personal property worth $2,000 and jewelry, sterling silver and furs worth $3,000. If they take out a divided coverage policy for the full value, what will it

cover? (Up to $2,000 on household and personal property, $50 on Money and Securities and $50 on stamp and coil collections; and up to $3,000 on jewelry, sterling silver and furs.)

What will be the annual premium? ($31.63)

If they prefer to have 50% blanket insurance on their $5,000 worth of possessions, what will this policy cover? (Up to $2,500 on each classification and $50 on money and securities and $50 on stamp and coin collections.)

Are their jewelry, sterling silver, and jewels fully protected? (No - $500 not protected.)

What will this premium be? ($34.10)

If they buy 100% blanket insurance on $5,000 what will the policy cover? (All losses, and $50 on money and securities and $50 on stamp and coin collections.)

What is the cost of this premium? ($42.63)

Which policy would you buy?

How much would be saved on each policy by buying a three year policy, paid in advance? (3 times annual premium less 10% and 5% - $13.76; $14.83; $18.55.)

Mrs. Gardner owns some of the original John Alden silver. What kind of insurance would she probably carry for protection against burglary? (Specific) If she valued it at $1,000 and the appraiser found that to be the market value, what would the annual premium be? ($5.)

Other problems will readily suggest themselves from the rate charts.

TABLE XVI

ACCIDENT AND HEALTH INSURANCE RATE CARD

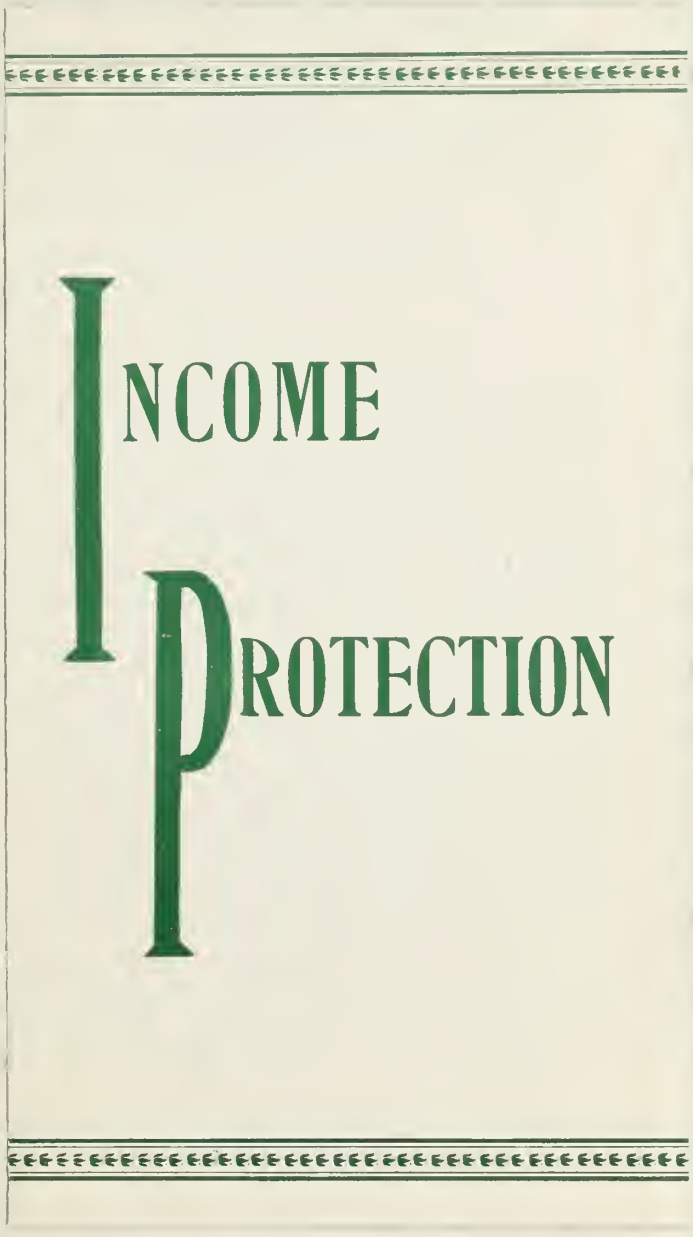
MASSACHUSETTS ACCIDENT COMPANY, BOSTON, MASS.
Family Income Protection Policy

CLASS	PRINCIPAL SUM	MONTHLY INDEMNITY		COST Ages 16-49*				
		Accident	Sickness	First Payment	Monthly Premium	Quarterly Premium	Semi-Annual Premium	Annual Premium
A	$ 800	$50	$50	$1.40	$1.40	$4.20	$8.40	$16.80
	1000	60	60	1.70	1.70	5.10	10.20	20.40
	1250	75	75	2.10	2.10	6.30	12.60	25.20
	1500	90	90	2.55	2.55	7.65	15.30	30.60
	1600	100	100	2.80	2.80	8.40	16.80	33.60
B	500	40	40	1.40	1.40	4.20	8.40	16.80
	600	50	50	1.75	1.75	5.25	10.50	21.00
	750	60	60	2.10	2.10	6.30	12.60	25.20
	900	75	75	2.63	2.63	7.89	15.78	31.56
	1000	80	80	2.80	2.80	8.40	16.80	33.60
C	400	35	35	1.40	1.40	4.20	8.40	16.80
	500	40	40	1.60	1.60	4.80	9.60	19.20
	600	50	50	2.00	2.00	6.00	12.00	24.00
	750	60	60	2.40	2.40	7.20	14.40	28.80
	800	70	70	2.80	2.80	8.40	16.80	33.60
D	350	30	30	1.40	1.40	4.20	8.40	16.80
	400	35	35	1.60	1.60	4.80	9.60	19.20
	500	40	40	1.85	1.85	5.55	11.10	22.20
	600	50	50	2.30	2.30	6.90	13.80	27.60
E	300	25	25	1.40	1.40	4.20	8.40	16.80
	350	30	30	1.65	1.65	4.95	9.90	19.80
	400	35	35	1.90	1.90	5.70	11.40	22.80
	475	40	40	2.23	2.23	6.69	13.38	26.76
F	300	25	25	1.75	1.75	5.25	10.50	21.00
	350	30	30	2.10	2.10	6.30	12.60	25.20
X	50	5	5	1.40	1.40	4.20	8.40	16.80

*For ages 50–54 add 25% to premium. For ages 55–59 add 50% to premium.
Rider 2501 providing coverage for first week of sickness issued at additional premium of 50%.
First Payment secures policy, identification card and accident insurance until 15th of the next month following date of policy at which time sickness benefits go into effect.

TABLE XVII

ACCIDENT AND HEALTH INSURANCE POLICY TABLE



THE FAMILY INCOME PROTECTION POLICY

ISSUED ONLY BY

MASSACHUSETTS ACCIDENT COMPANY, - - - Boston, Mass.

Will Pay You

In Accordance with Policy Provisions

ACCIDENT BENEFITS

$ 100. per month for Total Loss of Time for five years. One-half for Partial Loss of Time for six months.

SICKNESS BENEFITS

$ 100. per month for Confining Sickness for six months. Non-confining Sickness at full rate for one month.

SPECIFIC BENEFITS

$ 1600 Principal Sum, payable for Accidental Death, or for Accidental Loss of Both Hands or Both Feet, or One Hand and One Foot, or One Hand and Sight of One Eye, or One Foot and Sight of One Eye, or Sight of Both Eyes; One-half for Loss of One Hand or One Foot; One-third for Loss of Sight of One Eye.

SPECIAL BENEFITS

For Hospital or Trained Nurse treatment, Benefits increase 50%.

Doctors' bills for Non-disabling Injuries.

Double Indemnity for specified travel accidents, elevator accidents, burning building, collapse of outer walls, explosion of boiler, stroke of lightning.

Accumulations on Principal Sum up to 50%.

Identification Fees up to $100 to put you in communication with and in care of friends or relatives.

Policy pays from the first day of disability from Accident and from the eighth day for Sickness.

Rider can be issued paying from the first day of Sickness if desired.

Physician- General Practice

COST $ 2.80 monthly (age under 50)

Once insured the rates are not increased with age.

Benefits increase 10% if premiums are paid annually in advance; 5% if paid quarterly in advance.

Computation for Accident and Health Insurance: The information about this class of insurance, in Chapter II, shows that there are many types of policies written. These charts give a workable and simple scheme to use to compute rates and benefits.

Explanation of Rate Table for Accident and Health: By using the "Family Income Protection Policy" (Table XVII, page 138) one may find annual premiums and benefits from this type of insurance.

The classification in the first column is made out according to estimated hazards in different occupations, for example: professional men are listed in Class A; foremen, supervisors, and so on, in Class B; lathe operators and machinists, in Class C; house carpenters in Class D; laborers in Class E; city firemen in Class F; and Class X contains people who handle explosives or who are engaged in a similarly dangerous occupation. People in Class X are usually considered non-insurable.

The principal sum benefits are explained in the policy (Table XVII, page 138). The accident monthly indemnity covers the sums stated in the Rate Table XVI, page 137). The accident benefits are a stated sum per month for Total Loss of Time for 5 years. One half that stated sum is paid for Partial Loss of Time for 6 months.

The sickness benefits are a stated sum per month for Confining Sickness for 6 months. Non-confining Sickness benefit is at full rate for one month. The special benefits are listed in the policy (Table XVII, page 138).

Suggested questions for practice in reading the Accident and Health rate chart: Table XVI, page 137, XVII, page 138. (All ages quoted from 16-49)

I. If a physician takes out an accident and health policy for $1600, what will the annual premium be? ($33.60)

1. If he pays monthly, quarterly, or semi-annually, will the rate be more? (Just the same)

2. For Total Loss of Time from accident, what will he receive? ($100 per month for 5 years.)

3. For Partial Loss of Time from accident, what will he receive? ($50 per month for 6 months.)

4. For Confining Sickness, how much will he receive? ($100 for 6 months.)

5. For Non-confining Sickness, how much will he receive? ($100 for one month.)

6. For accidental death?
For loss of both hands and feet?
For loss of 1 hand and 1 foot?
For loss of 1 hand and sight of 1 eye?
For loss of 1 foot and sight of 1 eye?
For loss of sight of both eyes? ($1600)

7. For loss of 1 hand or 1 foot? ($800)

8. For loss of sight of one eye? ($533.34)

II. A city fireman takes out an accident and health policy for $300. What will be the monthly premium? ($1.75); quarterly? ($5.25); semi-annual? ($10.50); annual? ($21.00)

What benefits will he receive for:

1. Total Loss of Time? ($25 for 5 yrs.)

2. Partial Loss of Time? ($12.50 for 6 months)

3. Confining Sickness? ($25 for 6 months)
4. Non-confining Sickness? ($25 for 1 month)
5. Sight of Both Eyes? ($300)
6. Loss of 1 Hand? ($150)
7. Loss of Sight of 1 Eye? ($100)

TABLE XVIII

OWNER'S LIABILITY INSURANCE

Rates for a one-family house	-	$ 7.50 a year.
Rates for a two-family house	-	10.50 a year.
Rates for a three-family house	-	16.00 a year.

These rates prevail in suburban Boston. The policy covers a limit of $5,000 for an accident to one person and $10,000 for all damages during the year.

It covers such injuries that might occur on a person's property, resulting from falling snow, icy walks, defective stairs or railing, and so on.

These 18 tables will be used later in the actual computation of insurance for typical families in different brackets of income.

CHAPTER VI

BUDGETING

Facility in using these charts is to be desired. As the process is mechanical and repetitive, drill should not reach the stage of being boresome. After the children familiarize themselves with the method of using these charts, they are ready for the next consideration, budgeting.

BUDGETING: Before we can attempt to arrive at a solution to our problem of "How much insurance and what kind should typical families carry" we must have some idea of how a family income should be spent. "A personal budget is a classified estimate of how one expects to spend one's income."(1) If the class has had experience with budgeting prior to this, there need be no delay, but if not, budgeting must be explained and studied.(2)

On the percentage basis, the consensus of opinion seems to be that about 20% of the family income should be allotted to savings and insurance. Of this sum, the amount and kind of insurance depends on the size of the family, the number of dependents and the family income. "Most insurance is bought for the purpose of at least partially replacing the earning power of the insured." ... "It should be the desire and ambition of every man to provide an estate which will replace his earning power as far as possible in case he is taken from his

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(1) Schnedler, Wm. A., How to Get Ahead Financially, p.55. Harper & Bros., New York, 1926.

(2) See references in bibliography. Hennigar, L.L., Informational Units in Arithmetic for Sixth Grade. - Certain Phases of the Budget. Master's Thesis, Boston University School of Education, 1935.

family or other dependents." ... "The ambition and plan of everyone should be to leave an estate which will be large enough to support one's dependents according to the standard of living to which they are accustomed."(1) Another authority writes, "In a family containing children a normal standard of living should include savings or insurance, which in case of the death or incapacity of the wage earner, will make it possible for the family to live until the children reach maturity without the mother being overtaxed or the children neglected."(2)

The budget on page 94 "is based on the experience of American families (man, wife, and two children) as determined by a thorough study and by figures gleaned from the surveys of various experts in different parts of the country."(3)

Numerous other budgets are available. They show slight variation in apportionment. Upon comparison of many, it is conceivable that the pupils might make their own.

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(1) Schnedler, Wm. A., How to Get Ahead Financially, pp.116-117
Harper & Bros., Philadelphia, 1926.

(2) Nesbit, Florence, Chicago Standard Budget for Dependent Families, Bulletin No.5, p.537.
Chicago Council of Social Agencies, Chicago, 1932.

(3) The John Hancock Home Budget, p. 1.
John Hancock Mutual Life Insurance Co., Boston, 1929.

CHAPTER VII

JUDGMENT AND COMPUTATION IN INSURANCE FOR TYPICAL FAMILIES WITH INCOMES UNDER $1500

After the pupils know how to use the charts and understand budgeting, we are ready for our final step in this unit of work. The pupils from the budget figures will know how much families, receiving certain incomes, should spend for insurance. Now their problem is to decide what kinds of insurance these families should buy for this money they are going to spend.

We still need to bear in mind that the study of insurance is largely a development of the appreciation of what insurance will do for us, and a development of judgment in the selection of insurance both as to type and amount. It is to be expected that there will be a difference of opinion in judgment as to the type and amount of insurance that families should carry.

For the purpose of this unit, the author has arbitrarily made certain selections:

1. The use of the John Hancock Home Budget. (1) (Other budgets might be selected, or an average of several might be used.)

2. Typical families of arbitrary size, age and occupation with incomes varying from $1000 to $5000 per year.

3. No attempt is made to teach judgment and computation for business and professions.

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(1) John Hancock Home Budget.
John Hancock Mutual Life Insurance Co., Boston, 1929.

4. The use of certain rate charts selected from the rates of one of the larger insurance companies. These rates vary slightly among the large companies. Estimates had to be used at times. These rates are taken from the Flitcraft Compend.(1)

5. This is the plan of procedure. There are worked out here insurance programs for selected families for incomes under $1500, which includes only life insurance for the protection of the family; for a $1500 income, which includes life insurance protection and fire insurance; for a $2000 income, which includes life insurance, fire insurance, and automobile insurance; for a $3000 income, which includes life insurance, fire insurance, and automobile insurance; and for a $5000 income, which includes the latter three and burglary, accident and health, and owner's liability insurance. There is the opportunity here for the pupils first to decide upon the typical family in each case, and then by applying the allocation for insurance in the budget table, they may decide what kinds of insurance the family should carry. The pupils may decide if the family in question can afford to own a house, an automobile, sufficient possessions to warrant burglary insurance, and if the family should consider any other types of insurance. Skilfull teaching is necessary. The programs suggested here are capable of some variation.

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(1) Flitcraft Compend.
Flitcraft Life Insurance Works, Illinois, 1935.

It seems feasible for our purpose to consider, first, incomes under $1500. To this end, an income of $1000 has arbitrarily been selected as an example, to show that a family with a small income may carry some insurance protection.

"In most families some form of insurance (which may be savings) against illness, death, or other misfortune is necessary to give freedom from pressing anxiety. Whatever seems necessary in individual cases should be allowed in calculating the budget."(1) Some families find that they are able to carry only enough insurance to cover funeral expenses. Others try to provide a little more for last illness or for the possibility of an impoverished widow. Cities allow $80 if they assume the funeral expense of a welfare case. Undertakers find it necessary, as in other professions and businesses, to give charitable services, but if a family can afford but little, they do the best they can from $50 up, but at that low price, part of the service is gratis. Industrial insurance (the weekly payment plan) is the type that is carried for this expense.

For this illustration, let us consider a family consisting of Mr. A., aged 25, Mrs. A. aged 25, and one child, John, aged 3. (All ages used hereafter are the ages according to the nearest birthday.) The pupils may choose their own family. The family income is $1,000 a year. If the three members of the family wish to take out insurance to cover minimum funeral expenses for all and a possible surplus in the

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(1) Nesbitt, Florence, Chicago Standard Budget for Dependent Families, Bulletin 5, p.529.
Chicago Council of Social Agencies, Chicago, 1932.

event of Mr. A's death, what will it cost? :

1. John, age 3:

(By using Table X, page 122 and by dividing the amounts in two, one gets the approximate value of a policy at 5¢ a week.)

If Mr. A. insures John on the "Life Paid-up at 75" plan, what will it cost per year at 5¢ a week? ($2.60)

How much insurance approximately will that cover? ($75 until the second year of the policy, then each ensuing year the following coverage: $100, 120, 135, 150, 165, 180, and 194 after the 7th year.)

How long will it be necessary to pay on this policy to collect the insurance? (Until the child is 75 or until he dies previous to that age.)

If Mr. A chooses for John the "20-Payment Life" plan at 5¢ a week, (Table X, page 122), how much approximately will that cover? ($37.50 until the second year, then $50, $62.50, 75, 87.50, 100, 110 and 120 after the 7th year.)

How long will it be necessary to pay on this policy? (Until John is 23 or until he dies previous to that age.)

When is the money paid to the beneficiary? (At the death of the insured.)

What is meant by double indemnity and premium waiver for disability, for which there is no extra premium?

Which policy would you choose for this child?

ARBITRARY SELECTION FOR JOHN: 5¢ A WEEK, WHOLE LIFE PAID-UP AT 75.

2. Mrs. A's insurance, age 25.

(By using table VIII page 118 and dividing the amounts in two, one gets the approximate value of a policy at 5¢ a week.)

If Mrs. A. chooses the "life paid-up at 75" plan at 5¢ a week, what will the policy cover? ($96)

How much a year will this cost Mrs. A. and the child for this type of insurance? ($5.20)

If she cooses the "20-year endowment? ($42)

Would you choose this type? (No.) Why not? (There is not enough protection)

By selecting the "life paid-up at 75" plan which includes disability and double indemnity for 5¢ a week, what would Mrs. A's beneficiary receive in the event of her death? ($96, or if an accidental death, subject to certain restrictions, $192.)

If this insurance were in a participating company, what would be the approximate cash value? (Table XI page 125 In 5 yrs.? ($4.02); 10 yrs.? ($8.33); 15 yrs.? ($14.20); 20 yrs.?($23.61)

Would there be dividends to apply? (Cash or premium credits annually after the 5th year depending upon the year of issue? See Table XI page 125.

ARBITRARY SELECTION FOR MRS. A. - "WHOLE LIFE PAID-UP AT 75" POLICY - 5¢ A WEEK.

3. Mr. A's Insurance, age 25.

(Mr. A. needs more protection for his family, because at his death, their income will cease temporarily, at least.)

If he pays 5¢ a week each for Mrs. A. and John, perhaps he might plan to pay 10¢ a week for himself.

What type policy should he buy? (The Life Paid-up at 75.)

Why? (It offers the most protection for the money expended.)

At 10¢ a week, for how much will he be insured? Table VIII, page 118. ($192 or $384 for accidental death; also in case of disability, he would have a paid-up policy with no further premiums to pay.)

ARBITRARY SELECTION FOR MR. A. - "WHOLE LIFE PAID-UP AT 75" POLICY - 10¢ A WEEK.

How much a week would insurance now cost him for his family? (20¢)

When John reaches his eleventh year, under the plans selected, for how much would the entire family be insured?

John: $194 - 5¢ a wk. - Life Paid-up at 75

Mrs.A: 96 - " " " " " " " "

Mr. A: 192 - 10¢" " " " " " "

Why is John insured for more than his father, at half the cost? (Because of his age when insured.)

If they felt they should have better protection in the event of Mr. A's death, they might be interested in the

monthly premium of 99¢. (Table IX, page 120.)

What would this cover? ($500; or $1,000 for accidental death and in the event of disability a paid-up policy for the face value without further payment of premiums.)

How much a week would insurance cost the family if Mr. A. chose this monthly plan? (35¢)

Would you advise this expenditure?

As Mr. A. is the wage earner, his death would be the most serious loss, financially. Do you think it would be better judgment to insure only Mr. A. spending the entire family allotment on his policy?

The class would doubtless differ in their final analysis. Recommendation should be made for the plan that gives this family the most protection for the least amount of money.

CHAPTER VIII

INSURANCE FOR A $1500 INCOME

An income of $1500 is used for this next typical family. The pupils may exercise judgment in choosing a typical family in this bracket. Then they will have to decide upon the life insurance, and the question as to whether the family shall own a house or a car. Wise direction on the part of the teacher may be necessary so that the family's possessions will be in keeping with the income and the budget.

For the purpose of illustration for this income, Mr. B's family is noted. It consists of Mr. B. aged 25, and Mrs. B. 25, and one child, Ann, aged 2. They own a one-family house. In using the budget page 94 we find that $90 of the $1500 income should be spent for life insurance.

Life Insurance for Mr. B's family.

1. Ann's insurance:

Why should Mr. B. take out a policy for Ann?

What type should be selected?

At 5¢ a week,(Table X page 122) what would the "Life Paid-up at 75" policy cover? (The amount would be approximately one-half of the 10¢ a week premium, so that this 5¢ weekly premium would cover approximately $50 due at the end of 3 months from date of issue to stated sums up to $197 after the 8th year.)

At 10¢ a week? (Double that amount.)

At 5¢ a week on the "20 Payment Life" plan, how much would the insurance be? (Approximately from $25 due at the end

of 3 months from the date of issue to stated sums up to $122 after the ninth year.) At 10¢ a week? (Double that amount.)

For how long would the premiums be paid on the first plan? (Until Ann is 75 or until her death previous to that time.)

For how long, under the second plan? (Until Ann is 22 years old or until her death previous to that year.)

Which of the two policies would you choose? (The first, because it gives greater protection.)

At 5¢ a week, how much of the $90 annual budget allotment would be used? ($2.60)

At 10¢ a week? ($5.20)

ARBITRARY SELECTION FOR ANN'S INSURANCE: "WHOLE LIFE PAID-UP AT 75" POLICY - 5¢ A WEEK.

2. Mrs. B's insurance, age 25.

What selection might Mrs. B. make? ("Life Paid-up at 75" plan at 5¢ a week.) (Table VIII page 118.)

How much does this cover? (Approximately $96)

At 10¢ a week? ($192)

On the monthly premium plan (Table IX page 120) what insurance could be bought? ($500 insurance for 99¢ a month on the "Life Paid-up at 75" plan.)

Plan (a) - At 5¢ a week each, how much of the $90 budget allowance would be used for Ann and Mrs. B? ($5.20)

What would be the protection after 8 years? (Ann, $197, Table X, page 122; Mrs. B. $96, Table VIII, page 118.

Plan (b) - At 5¢ for Ann and 10¢ for Mrs. B. how much of the $90 would be spent? ($7.80)

What protection after 8 years? (Ann $197; Mrs.B. $192)

Plan (c) - At 10¢ for Ann and 10¢ for Mrs. B. how much would be spent yearly? ($10.40)

What protection after 8 years? (Ann $394; Mrs.B.$192)

Plan (d) - At 5¢ a week for Ann and 99¢ a month for Mrs. B. what would be spent yearly? ($14.48)

What protection after 8 years? (Ann $197; Mrs.B.$500)

Plan (e) - At 10¢ a week for Ann and 99¢ for Mrs. B. a month, what would be spent yearly? ($17.08)

What protection after 8 years? (Ann $394; Mrs. B.$500)

Find out from your Tables VIII, IX, X, page 118, 120, 122, if double indemnity and disability are allowed at this cost. (Yes)

Plans (a), (b), (c), (d), and (e) in that order would leave how much for Mr. B's insurance out of the $90 budget allotment? ($84.80; $82.20; $79.60; $75.52; $72.92)

Which of these five plans would you choose?

ARBITRARY SELECTION FOR ANN - 5¢ a wk., "Whole Life Paid-up at 75" policy.

ARBITRARY SELECTION FOR MRS. B. - 99¢ a mo., "Whole Life Paid-up at 75" policy.

3. Mr. B's insurance.

By using the amount $75.52 left over from the above plan (d), what insurance should Mr. B. buy?

For the most protection what plan would he choose? ("Whole Life Paid-up at 85")

For how much could he be insured under this plan? (Table III page 95)

Age 25 - annual premium per $1,000 - $19.04

$76.16 will buy $4,000 policy
3.00 will pay for waiver of premium for disability. (Table IV, page 99)
4.40 will pay premium for double indemnity (Table IV, page 99)
$83.56 will buy $4,000 policy with double indemnity and disability clauses.

How much more is this than the allotted $75.52?($8.04)

Where might Mr. B. get this $8.04? (From savings.)

Would that be justifiable? (Yes, because of anticipated dividends.)

What dividends are anticipated? (Table V pages 104-105)

(Over a period of 10 yrs. $39.58 per $1,000, making an average yearly payment of $15.08 per $1,000.)

Summary:

(Ann insured for $197. Cost - 5¢ a week or $52 for 20 years, less the cash or dividend credit she may have received.)

Mrs. B. insured for $500. Cost - $.99 a month or $237.60 for 20 years, less cash or dividend credits she may have received.

Mr. B. insured for $4,000. Cost - $63.08 yearly or $1,261.60 for 20 years if dividends have been applied to premium payments.

Savings in bank from difference in actual payments and actual allotments - $248.80 at 3½% interest.)

Check and see if you are correct:

Ann	- $ 52.00	
Mrs. B.	- 237.60	
Mr. B.	- 1261.60	$90 annual budget allotment
Savings	- 248.80	20
	$1800.00	$1800.00

One may readily see how valuable insurance really would be to the "B" family, should Mr. B. die. By spending $90 of the $1500 income as suggested above, the "B" family have a protection of $1551.20 and savings of $248.80 drawing interest at 3½% compounded semi-annually. It is well to ponder on the wise judgment in the spending of this money.

As it was decided that Mr. B. should own a one-family house, the next consideration is the necessity of fire insurance, both for the house and furniture therein.

Mr. B's fire insurance: This expense of fire insurance is listed under "operating expense" in the budget. The children will enjoy deciding the value of the house and the furniture, for this income. Let us use here for an example, $5,000 valuation on Mr. B's house in Quincy, and $1,000 on his furniture.

What will it cost Mr. B. to insure his house and furniture for a 1-year policy? ($11.30). For a 3 year policy? ($28.20.) For a 5-year policy? ($45.30). Table XIII, page 128.

What would the savings be for the 3-yr. policy? ($5.70) A five-yr. policy? ($11.20)

If the appraised loss due to fire on Mr. B's house and furniture should be $4,000, what insurance would he receive on the above policy?

If.Mr. B. wishes to take advantage of the 80% required clause, what would the principal be? ($4,000)

If Mr. B. takes advantage of the 80% required clause, but feels that he can only carry $3,000 or 3/4 of the required 80%, and he then incurs a loss of $1,000, how much may he collect? ($600) The other $400 loss he must bear himself.

If Mr. B's budget can not include full coverage, should he take advantage of the smaller coverage?

In this income bracket would one be apt to carry burglary insurance? Owner's liability insurance? Accident insurance?

We find then that by using the home budget, Mr. and Mrs. B. and Ann may carry life insurance worth $4,697, and that their house and furniture may be insured against fire for $6000 for a 5-yr. period for $45.30, or an average of $9.06 a year.

CHAPTER IX

INSURANCE FOR A $2000 INCOME

Our next consideration is the family with an income of $2000. Again the pupils may decide upon their typical family, the ages their nearest birthdays, their possessions, and their place of residence. For the purpose of illustration, a typical family is cited.

For this income, the "C" family is used as an illustration. Mr. and Mrs. C. are both 30 years of age, and Mary is 6 and Jack 4 years old.

Life insurance for the "C" family: According to the "Home Budget", how much of this income should be allotted to life insurance? ($150)

How shall this be invested? (These illustrations show a few possible ways. It is not claimed that these are the best ways. It would be interesting to know what the children's judgment would be and how much guidance would be necessary.)

1. Mary's and Jack's insurance:

Plan 1. Using Table X page 122, how much insurance may be bought for them at 10¢ a week under the "Life Paid-up at 75" plan? (Mary, from $260 and Jack from $200 at the end of 3 months from the issue of the policy to stated sums up to $366 for Mary after the 4th yr. and $382 for Jack after the 6th yr.)

How much will this cost annually for both? ($10.40)

Does this include double indemnity and disability? (Yes)

Plan 2. How much insurance may be bought at 10¢ a week under the "20-Payment Life" plan, Table X page 122. (Mary, from $150 and Jack from $100 at the end of the 3rd month from the date of issue of the policy to stated sums per year up to $226 for Mary after the 4th yr. of the policy and $236 for Jack after the 6th yr. of the policy.)

At the end of the 6th yr. what is the face value under each plan?

	(1st plan:	2nd plan:
	Mary $366	$226
	Jack $382	$236)

For how long would these premiums in the first plan have to be paid? (Until the children are 75 years old or until their death previous to that age.)

In the second plan? (Until Mary is 26 and Jack is 24.)

Are there expected dividends? Yes. (Table XI page 125)

When will these policies be paid? (Only at the death of the insured unless they are surrendered for their cash value.)

Which of these 2 plans would you choose? Why?

How much of the allotted $150 under either of these plans would be spent? ($10.40)

ARBITRARY SELECTION FOR CHILDREN - WHOLE LIFE PAID-UP AT 75 policy, 10¢ a week.

How much is left for Mr. and Mrs. C's insurance? ($139.60)

2. Mrs. C's Insurance: age 30 yrs.

(The purpose of her insurance would be to cover funeral expenses and bills of a possible long illness, in case of death.)

(a) How much will the monthly premium be for a $500 policy under the "Life Paid-up at 75" plan? ($1.15) Table IX, page 120.

How much per year? ($13.80)

(b) How much would it cost for a $1,000 policy? (Table III page 95.) ($21.80)

Can you explain why it costs $13.80 for a $500 policy and only $21.80 for $1,000 policy Whole Life Paid-up at 85? (Additional cost of collecting monthly premiums; and the annual premium is not all in the insurance company's hands until the 12th month.)

Are there anticipated dividends for the (a) plan? (Not listed, but there are a certain number of weeks of cash or premium credits. From 1930 - 1935 a credit of 6 weeks annually has been given, amounting to 60¢ annually and reducing this premium to about $13.20)

What are the tentative dividends for the (b) plan? Table V, page 104, 105. (10 yrs. - $45.02; 20 yrs. - $117.35, making an average yearly pay of $17.30 and $15.93 respectively. This gets smaller as the years go on.)

Over a period of 20 yrs. what would be an estimate of the cost of plan (a)? ($276 for $500 coverage.)

For plan (b)? ($318.60 for $1,000 coverage.)

Which plan would you choose?

ARBITRARY SELECTION FOR MRS. C. - $1,000 WHOLE LIFE PAID-UP AT 85 POLICY. - Allotment $21.80.

3. Mr. C's insurance, age 30.

If the children's insurance is going to cost $10.40 per year and Mrs. C's under plan (b) $21.80 less anticipated dividends which may be saved, what is left for Mr. C. from the $150 budget allotment? ($117.80) (A class might decide upon a different hypothesis.)

How much insurance may be bought for $117.80?

(Note: The insurance companies offer a "Whole Life $5,000 Policy" (not less) The rates are cheaper than the rates for single thousands up to $5,000. (Table VI, page 111.) In this case the rate for single thousands would be $109.00 and for this $5,000 policy, it would be $97.35.)

For how long would these premiums have to be paid? (Until Mr. C's death.)

What will it cost for double indemnity and disability provision? ($6.00 and $4.30 respectively.) (Table VI, page 111.)

What would be the total premium? ($107.65)

On a $5,000 policy, what will be the tentative dividends? (10 yrs. - $208.79; 20 yrs. - $525.15) (Table VI, page 111.)

Over a period of 20 yrs. what will the premium average? ($71.09 and $10.30 for double indemnity and disability waiver clauses, or $81.39) (Table VI, page 111.)

What will be the cost of the premium for 20 yrs. includ-

ing double indemnity and disability waiver and applying dividends? ($1627.80)

What is the difference between this premium with dividends applied for 20 yrs., and Mr. C's allotted budget sum?

(Allotted budget sum - $117.80 x 20 - $2356.00
Net premium - - 1627.80
$ 728.20)

What shall be done with this savings? (It might be put in the savings bank to be used for the children's education.)

ARBITRARY SELECTION FOR MR. C. - WHOLE LIFE $5,000 POLICY.

(As any other plan would diminish the protection and this protection is small enough, this plan (a) would probably be selected. However, the pupils might figure out the "20-Payment Life" plan and compare the advantages and disadvantages of the two.)

According to these arbitrary selections and estimates, what is the insurance status of the "C" family at the end of 20 yrs.?

Mary - insured for	$366.	Cost - $104.00 for 20 yrs.
Jack " "	382.	" 104.00 " " "
Mrs. C. " "	1000.	" 318.60 " " "
Mr. C. " "	5000.	" 1627.80 " " "
Protection -	$6748.	" $2154.40 " " "

Mrs. C's savings - from budget allotment of $436.00 for 20 yrs. - - - $ 117.40 plus interest

Mr. C's savings - from budget allotment of $2356. for 20 yrs. - - - 728.20 plus interest

Allotment:	$150.00	
	20	
	$3000.00	$3000.00

What will Mrs. C. (or the beneficiary) receive if Mr. C. dies? ($5,000, the face of the policy. Also, if the dividends had been allowed to accumulate, a check for that amount.)

From your reading, do you think Mrs. C. should receive this in a lump sum?

How else might she receive it? (Mr. C. might stipulate in the policy that it should be paid over a specified period of time.)

If Mr. C. should become totally disabled and not able to pay his premiums, what will the insurance company do to help him? (Waive all premiums.)

If Mr. C. temporarily can not pay his premium, what may the insurance company do?

(1. Give him a paid-up policy according to the amount he has paid in, payable at death.
2. Pay him the cash surrender value.
3. Allow 31 days grace without interest.
4. Allow reinstatement at any time upon evidence of insurability and payment of arrears at interest at 6% per annum.)

What will be the cash value of Mr. C's policy at the end of 10 yrs.? ($540) 15 yrs.? ($920) 20 yrs.? ($1380) Table VII, page 116.

Mr. C. would like to know which would be a better investment, (a) putting $150 in the savings bank, (b) buying co-operative bank shares, (c) buying insurance. How would these plans work out over a period of 10 yrs.?

Plan a: If Mr. C. had put $150 into the savings bank drawing 3½% interest compounded semi-annually, how much would

he have at the end of 10 yrs.? ($1824.31)

Plan b: If Mr. C. had bought 12 shares of co-operative bank stock for $144 per year, how much would he have at the end of 10 yrs.? (Estimate about $1900.)

Plan c: If Mr. C. had made the selections noted previously, what protection and savings would he have at the end of 10 yrs.?

1. Active protection for the family for $6,748.00
2. Approximate cash surrender value of
   19.88
   19.88
   108.00
   540.00
   $687.76
3. Savings from the difference in premiums less applied dividends and the budget allotment:
   Mrs. C. $45.02
   Mr. C. 413.29
   $458.31 - in savings bank compounded semi-annually at 3½% or 3%.

Which of the three plans, a, b. or c, is the best?

Mr. C. will now have to decide under "operating expenses" in the home budget what insurance, other than life insurance, he should carry. The children will have made their decision as to Mr. C's ownership of house and furniture. For this study, we shall have Mr. C. own a $6,000 house in Milton, and he values his furniture at $1200.

Mr. C's fire insurance.

What will his fire insurance cost? (Table XIII, page 128)

1 yr. policy:

House 18¢ per $100 - $10.80
Furniture 23¢ per $100 - 2.76
$13.56

3 yr. policy:

House	45¢ per $100 -	$27.00
Furniture	57¢ per $100 -	6.84
		$33.84

5 yr. policy:

House	72¢ per $100 -	43.20
Furniture	92¢ per $100 -	11.04
		54.24

What would be the budget allotment for a 1 yr.policy? ($13.56)

What would be the budget allotment for a 3 yr.policy, which is reckoned as an average of the 3 yrs.? ($11.28)

What would be the budget allotment for a 5 yr.policy? ($10.85)

Which plan is the most thrifty? (The 5 yr. policy.)

What other insurance will it be necessary for Mr. C. to carry? Should Mr. C. own a car?

The pupils may decide for this income and if they decide he can afford it according to the different budgets, they will have to choose the make, what month it will be registered in, and find out what the compulsory insurance will cost.

Mr. C's automobile insurance.

A Ford car in the city of Quincy, registered April 1st is used for this illustration. The rate chart XIV page 131, is used for computing rates.

In what territorial division is Quincy? (Under Public Liability and Public Damage - No. 12.)

Under what classification of pleasure cars is the Ford car placed? (W.)

What will the insurance for public liability cost? ($28.80)

What will this cover? ($5,000, each person and subject to that limit for each person, $10,000 for each accident.)

What will the insurance for property damage cost? ($9.60)

What will this cover? (Each accident, $5,000)

What will be Mr. C's total annual cost for automobile insurance? ($38.40)

Mr. C's total insurance for the year will cost him how much?

Life Insurance:	$150.00 less dividends
Automobile Insurance:	38.40
Fire Insurance:	10.85
	$199.25

This will give him approximately $6748 active protection and $458.31 plus interest for 10 yrs. Does it seem to be a wise expenditure of the $150 a year?

The next income to be considered is the $3,000. The pupils will select their family as before.

CHAPTER X

INSURANCE FOR A $3,000 INCOME

Mr. and Mrs. D. both aged 35 and their two children are introduced as an example of a typical family with this income. Betty is seven and Bob is five years old.

According to the "Home Budget", the allotment for this family for life insurance should be $300.

How shall the $300 be allotted? (The aim in this bracket is protection as in the other incomes. As Mr. D's income will cease at his death, he should leave as much as possible for his family whose earning capacity is a matter of conjecture.)

1. Betty's and Bob's insurance: (Mr. and Mrs. D. might wish to have education insurance for these children, but the illustration in the higher brackets of income following this one, indicates that the cost would be out of proportion to this yearly allotment. A death benefit would seem to be the best protection.)

On the"Life Paid-up at 75" plan, how much insurance may be bought for 10¢ a week for Betty and Bob, Table X page 122. (For Betty $280 and for Bob $230 after the first three months following the issue of the policy to stated sums per year up to $356 after the third year for Betty and up to $376 after the fifth year for Bob.)

Note: Although it is apparent that this amount will more than cover funeral expenses should either child die, it would be of great assistance in case there had been an ex-

pensive illness before death. However, the pupils might choose the 5¢ a week policy which would insure Betty and Bob for a little less than half these amounts.

What would be the estimated dividends? (Judging from the experience rating of different companies from 1926 - 1930, from the fifth year and after from 6 - 9 weeks cash or premium credit annually.

How long would premiums have to be paid on this policy? (Until the children are 75 or until their death previous to that.)

At age 40, at 10¢ a week, how much is Betty insured for under this policy? ($366)

If Betty took out a new policy on this plan at age 40 at 10¢ a week, how much would it cover, Table VIII page 118. ($128)

Then even if Betty and Bob have to pay until they are 75, what is true of the cost of their insurance as compared with insurance taken out at a later date? (Increasingly cheaper each year.)

How much of the allotted $300 is spent under this "Life Paid-up at 75" at 10¢ a week plan for the two children? ($10.40)

ARBITRARY SELECTION FOR THE CHILDREN - "LIFE PAID-UP AT 75" - 10¢ a week.

How much is left for Mr. and Mrs. D's insurance? ($289.60)

2. Mrs. D's Insurance, age 35.

Option a - Life Paid-up at 75 - 10¢ a week. (Table VIII page 118) How much insurance may be bought? ($138 including double indemnity and premium waiver for disability.)

Option b - Life Paid-up at 75 - $1.34 a month. Table IX, page 120. How much insurance may be bought? ($500 including double indemnity and premium waiver for disability.)

Option c - Life Paid-up at 85 - $25.35 a year. Table III, page 95. How much insurance may be bought? ($1,000 and in many companies not including double indemnity and premium waiver without additional premiums.)

By applying estimated dividends over a period of 10 years, what would be the average yearly cost? List the protection and cash value for each option.

(For the purpose of illustration, 9 weeks credit or $.90 per annum is allowed for estimated dividends.)

		Average Annual Premium	Protection	Cash Value
Option a -	$5.20 a yr.			
	52.00 10 yrs.			
	9.00 est.dividends			
	$43.00 net for 10 yrs.	$4.30	$138	$17.94
b -	$1.34 1 mo.			
	16.08 1 yr.			
	160.80 10 yrs.			
	9.00 est.dividends			
	$151.80 net for 10 yrs.	15.18	500	Not Listed
c -	$25.35 1 yr.			
	253.50 10 yrs.			
	49.21 tentative div. Table V			
	$204.29 net for 10 yrs.	20.43	1000	132.

Which of these three would you choose?

Option d - "20 Payment Life" plan at 10¢ a week. Table VIII page 118. How much insurance may be bought? ($108)

e - "20 Payment Life" plan at $1.72 a month. Table IX page 120. How much insurance may be bought?($500)

f - "20 Payment Life" plan at $34.95 a year. Table III page 95. How much insurance may be bought?($1000)

By applying estimated dividends over a period of 10 years, what would be the average yearly cost? List the protection and cash value.

		Average Annual Premium	Protection	Cash Value
Option d -	$5.20 1 yr.			
	52.00 10 yrs.			
	9.00 est.dividends			
	$43.00 net for 10 yrs.	$4.30	$108	$24.50
e -	$1.72 1 mo.			
	20.64 1 yr.			
	206.40 10 yrs.			
	9.00 est.dividends			
	$197.40 net for 10 yrs.	19.74	500	Not Listed
f -	$34.95 1 yr.			
	349.50 10 yrs.			
	54.21 tentative div. Table V			
	$295.29 net for 10 yrs.	29.53	1000	231.00

To be considered: a - With the application of dividends the net cost decreases yearly; b - The 20-payment life is entirely paid up when Mrs. D. is 55 years old; c - The protection is less for the same expenditure in plan (d) compared with plan (a) and comparing plans (e) and (b) and (f) and (c) the premium is greater for the same protection; d - The "Paid-up at 75 or 85" plan means paying premiums for 40 or 50 years if Mrs. D. lives that long; e - The cash value is greater on the "20 Payment Life" plan.

Which of the six options would you choose?

ARBITRARY SELECTION FOR MRS. D - "20 PAYMENT LIFE" $1,000 policy, average $29.53.

3. Mr. D's insurance.

If the 10¢ a week "Life Paid-up at 75" plan is selected for the two children and the "20 Payment Life" plan for Mrs. D. is selected, what will the annual cost be for a ten-year period average? ($10.40 + 29.53 or $39.93)

How much of the budget allotment of $300 will remain for Mr. D's life insurance? (Approximately $260)

Note: This might be averaged over a 20-year period and the remaining allotment would be larger. The 10 year period seems more justifiable as 20 years is a long time to plan ahead for expenditure. Another way would be to follow the plan in the previous income brackets of allowing the full premium without dividends to be put into the savings bank.)

How shall the $260 per year be spent? (The pupils using the charts and the "Flitcraft Compend" may make up plans or options as they are called.) The following are possible suggestions.

Option a - I - Whole Life $10,000 policy for $225.60 annual premium. Table VI

Annual premium	$225.60	
Double indemnity premium	13.00	Table VI
Waiver of premium	11.10	" "
	$249.70	

What will be the tentative dividends over a 10 year period? Table VI, page 111. ($433.34 or an average yearly of $43.34)

With the double indemnity and premium waiver clauses, what will be the average yearly cost? ($225.60 +

43.34 or 182.26 + 24.10 or $206.36)

If Mr. D. reckons on the latter figure, the first few years his premiums will be more than his allotment, and he will have to get the additional sum from savings, but he can put it all back in 10 years:

End of Year	Annual Premium*	Additional Expense	from allotment of $206.36
1	$249.70	$43.34	
2	209.14	2.78	
3	207.54	1.18	
			+ 47.30
		Decreasing Expense	
4	205.64	.72	
5	203.38	2.98	
6	201.54	4.82	
7	199.66	6.70	
8	197.70	8.66	
9	195.70	10.66	
10	193.66	12.70	
			- 47.14

*This includes $24.10 for double indemnity and disability waiver. Yearly tentative dividends are subtracted.

Example of option a:

End of 3rd yr.

Annual premium	$225.60
D.I. & P.W.	24.10
	249.70
Tentative dividend for $10,000 21.08 x 2	42.16
	207.54
Allotment	206.36
Additional expense	$ 1.18

What will be the cash value? Table VI, page 111.

(10 yrs. $655 x 2; 20 yrs. $1640 x 2)

If Mr. D. buys this policy at $206.36 how much has he still left from his budget allotment of $260 for investment in insurance? ($260 - 206.36 or 53.64)

II How shall this be spent? Table III, page 95. (Mr. D. could buy a 20 year endowment for $1,000 for an annual premium of $48.28)

Could the double indemnity and premium waiver protection be included in the allotment? (Yes; $48.28 + 1.10 + 1.21 or $50.59)

Is this policy paid at Mr. D's death? (No; he gets $1,000 cash when he is 55 years old.)

III How much remains and what would you do with it? ($3.05 - Savings bank, Christmas fund, etc.)

Summarize Option A - giving the type of insurance, the protection, the premium, the cash value.

Type		Protection	Annual 10 yr. Average Premium	Cash Value 10 yr.	20 yr.
Whole Life	$10,000	+ Double Indemnity and Premium Waiver	$206.36	$1310	$3280
20 Yr. Endowment	$ 1,000	+ Double Indemnity and Premium Waiver	50.59	383 and $3.05 compounded semi-annually in savings bank.	920
Totals	$11,000	+ Double Indemnity and Premium Waiver	$260.00	$1693	$4200

Option b - 20-Payment Life costs how much for Mr. D. aged 35

35 for $1,000? ($34.95) Table III, page 95.

How much may Mr. D. buy for the budget allotment of $260.00? ($7,000 protection would cost $244.65)

Which Table shows that? (Table III, page 95)

Why might Mr. D. prefer 20-Payment Life? (It would be all paid up when Mr. D. is 55 years old.)

Is the protection as much as in Option "a"? (No, $4000 less)

How long must Mr. D. keep paying in Option "a"? (All of his life)

What would the double indemnity and premium waiver clauses on this 20-Payment Life policy cost? (Table IV, page 99.) ($1.50 x 7 and $0.90 x 7 or $16.80)

What would be the total premium? ($16.80 and 244.65 or $261.45)

How much more than Mr. D's allotment would this be? ($261.45 - 260 or $1.45)

What are the tentative dividends on the 20-Payment Life policy (Table V, page 106) in Option "b"? (10 yrs., $54.21 x 7 or $379.47; 20 yrs., $159.45 x 7 or $1,116.15)

If these dividends were applied against the premium each year, how much of the $244.65 original premium would have been saved in 10 yrs.? ($379.47)

If Mr. D. were a very thrifty man and spent according to his budget as he should, what should he do with these savings? (Put them in the savings bank.)

How might this be used? (1. Betty will be 17 and almost ready for college. This would be of great assistance at this time; 2. It could be used as part of a down-payment on a home or to pay off part of the principal of a mortgage on their home and thus reduce their mortgage interest.)

What would be the cash value of the 20 payment life policy for $7,000 in 10 yrs? Table VII, page 116. ($231 x 7 or $1617). 20 yrs? $610 x 7 or $4270)

Summarize Option "b" as you did Option "a".

Type	Protection	Annual Premium	Cash Value 10 yrs.	20 yrs.
20 Pay. Life	$7,000 and double indem. and premium waiver	$244.64	$1617	$4270

Option c - Mr. D. might prefer a combination of "Whole Life" plan for $5,000 and 20 year Endowment. How can this be done for his $260?

Whole Life $5,000 policy costs how much annually for Mr. D. at 35? Table VI, page 111. ($112.80)

How much would this policy cost with the premium waiver and double indemnity? Table VI, page 111. ($112.80 + 5.55 + 6.50 or $124.85)

How much would be left over? ($260 - $124.85 or $135.15)

How much insurance may Mr. D. buy for $135.15 on the 20 Year Endowment Plan? Table III, page 95. (Annual premium $48.28 for $1,000 costs $48.28 - $2,000 costs $96.56 -

$3,000 costs $144.84.

If Mr. D. decides to take the $3,000 policy, how much more than $135.15 will he need? (144.84 - 135.15 or 9.69)

How could he pay this? (Either from savings or dividends)

Which would be better? (Dividends)

What will be the tentative dividends for 10 yrs. on the $5,000 policy? Table VI, page 112. ($216.67)

What will this average yearly? ($21.67)

What would be the tentative dividends for 10 yrs. on the $3,000 policy? Table V, page 107. ($59.22 x 3 - 177.66 or a yearly average of 17.77)

Would this take care of the annual shortage above of 9.69? Over a period of 10 years it would pay that and have $7.08 left over for savings.

When would this policy be paid? (When Mr. D. is 55) How much would he get? ($3,000 cash)

Summarize Option "c".

Type	Protection	Annual Premium	Cash Value 10 yrs.	Cash Value 20 yrs.	Surplus Dividends or Savings
Whole Life and	$5,000 and double indem. and premium waiver	$124.85	$655	$1640	$216.67
20 Year End.	3,000	144.84	1149	2769	70.80
	$8,000	$269.69	$1804	$4409	$287.47

Make a summary of the three options:

Option a:

Whole Life and 20 Year Endowment:

Protection	Annual Av. Premium	Cash Value 10 yrs.	Cash Value 20 yrs.	Savings 10 yrs.
$11,000 and double indem. and premium waiver	$260.00	$1693	$4200	$30.50 with int.

Option b:

Twenty Payment Life:

$7,000 and double indem. and premium waiver	$244.65	$1617	$4270	$379.47

Option c:

Whole Life and 20 Year Endowment:

$8,000 and double indem. and premium waiver	$269.69	$1804	$4400	$216.67 70.80 and int.

Which would you choose?

The class might figure out other combinations. Those to whom the idea of protection appeals, would probably choose Option a. Those who prefer to have the policy paid up before a man's earning power wanes, would prefer Option b, although the protection is much less. Those who would like some ready cash to use for their old age might prefer Option c.

$3,000 Income (continued)

Fire Insurance: Mr. D. must decide on his other insurance necessities, which will be taken care of in the budget under "operating expenses".

The class may decide upon his property. For illustration, Mr. D. owns a home valued at $7,000 and furniture at $1500. What will this cost in Belmont? (Table XIII, page 128)

House	1 yr.	18¢ per $100 -	$12.60	per $7,000
Furniture	1 yr.	23¢ per $100 -	3.45	per 1,500
		Total	$16.05	

House	3 yr.	45¢ per $100 -	$31.50	per $7,000
Furniture	3 yr.	57¢ per $100 -	8.55	per 1,500
		Total	$40.05	

House	5 yr.	72¢ per $100 -	$50.40	per $7,000
Furniture	5 yr.	92¢ per $100 -	13.80	per 1,500
			$64.20	

How much will be saved by buying a 3 yr. policy instead of a 1 yr.? $16.05
3
48.15 - 40.05 or $8.10

By buying a 5 yr. policy instead of a 1 yr.?

$16.05
5
80.25 - 64.20 or $16.05

Which policy should Mr. D. plan to buy?

$3,000 Income (continued)

Automobile Insurance: Different groups of pupils might select different makes of automobiles for Mr. D. and find out how much the insurance will cost for that particular car. They should be encouraged to use judgment in selecting a car for that income. As an illustration, Mr. D. might own a "Plymouth" car in Belmont, insured June 1st.

What will he have to pay for public liability and property damage rates?

In what classification (Table XIV, page 131) is the Plymouth car? (w)

In what territorial divisions? (Belmont-Public Liability-19 and Public Damage-19a)

What will the insurance cost for this car for public liability? ($20.77)

What will this cover? ($5,000 each person and subject to that limit for each person, $10,000 for each accident.)

What will the insurance cost for public damage? ($7.37)

What will this cover? ($5,000, each accident)

What is the total insurance cost? ($28.14)

$3,000 Income (continued)

What will Mr. D's insurance cost him annually?

Life Insurance	-	$300 less dividends
Fire	"	16.05
Auto.	"	28.14
		$344.19

Estimated Life Protection: $11,000 and double indemnity and premium waiver clauses. Mr. D. should feel that his family would be taken care of in case of his death, and that by careful management they should get along until the children should begin to earn. Without these yearly savings for insurance, the family would be in need should Mr. D. die. Besides this life protection, Mr. D. is protected should his house and furniture burn. He is also protected for damage he might cause in case of an automobile accident.

CHAPTER XI

INSURANCE FOR A $5,000 INCOME

Information for teachers regarding this income: In this salary schedule, there is $600.00 allotted in the budget for life insurance for a typical family of a man, wife and two children. The eighth grade pupils might continue as they had been doing in the other income brackets and make out options for protection and provision for later years. With this income it seems questionable whether eighth grade pupils could make options that really put to best use the money invested. However, the individual teacher with a bright class might try it.

There is a new educational insurance policy just on the market now (which proves that the history of insurance is never complete) written by some of the larger insurance companies. It might be called a short-term series of endowments. Endowment policies are not written for children under 10. Instead the father takes out endowment policies on his own life and they mature when the child is of college age and are paid in monthly allotments for 4 years, presumably the college life of the child. The accompanying Table (XII, page 126) shows the annual premium on a $1,000 basis. It provides for $20.00 a month for 4 years, beginning at the time the child enters college. However, if the father dies between the time the policy is one year old and the time it matures, the child will receive $10.00 a month until the policy matures and then the $20.00 for 4 years. The principal is similar to

the double indemnity clause in ordinary insurance. There are many variations to this type of policy. Some wish an income for 5 or 6 years instead of 4 years and so pay additional premiums. Some can afford more than the $1,000 basis yields, which is $240.00 a year, and not adequate to meet the expenses of most colleges. They may buy on a basis of any multiple of $1,000, thereby, of course, multiplying the annual dividend.

Another way of saving money for educational purposes is to have the father buy a series of short term endowments which come due at the beginning of each college year. Provision is made in the policy in case the father dies, so that a trust will pay allotted sums for the education.

As has been mentioned before, a lump sum left to a widow unaccustomed to manage her own money often ends in a wasted estate and impoverishment in old age. In order to make clear to teachers who are interested in this unit how insurance companies take care of their contingencies, the writer asked an insurance expert to write out a typical option. This option is herein incorporated: (1)

> The premise cited was: "A man and wife, 35, have a girl 9, and a boy 12 years of age. He wishes them to have insurance to cover college expenses starting when each is respectively 18 years old. His income is $5,000 a

(1) Courtesy of Mr. George Spillane, Boston Manager John Hancock Life Insurance Company.

year. According to your "Home Budget", he should spend $600.00 on insurance. What plan would you suggest for the division of this allotment as to protection, endowments, annuities, if any, and education?"

Answer: "A series of short term endowments maturing on the girl 9, in nine years: and on the boy 12, in six years; in the principal sum required to defray tuition and other expenses of a college education, is one way that might be taken care of.

"Aside from the fact that it would involve a relatively larger expenditure of the budget to do it in this way, there also is the factor of making the payments thereon, should the father decease before the completion of the period of premium payments.

"Therefore, it does seem advisable, in this particular instance that whatever insurance is placed to take care of that contingency, should be upon the life of the father with the arrangements made for its proper disposition in the event of his decease prior to the children attaining college age. This of course would mean that he would, out of the remainder of his family budget, (outside of

$5,000 Income (continued)

the insurance portion thereof) make some provision to finance their education during his lifetime, relying upon his insurance policies to do so only in the event of his premature demise.

"Having this in mind, the following allotment of the Insurance Budget would seem to be fairly effective:

Item 1 - Protection: Under this item, I would suggest the following: A $5,000 Endowment at age 85, (at age 35, the annual premium would be $130.30) with the provision: (1)that $2,000 of this would be paid outright to the beneficiary and (2)the remaining $3,000 paid to his wife in monthly installments of $50.00 each until the principal is paid in full, or to the guardian of the children in case of the mother's death before receiving all installments. This would give the mother or guardian an income of that amount monthly for a period of less than six years.

Item 2 - Endowment: Under this item, I would suggest the following: Buy $16,000 of Endowment at age 85, the annual premium on which would be $416.96, arranging the following settle-

$5,000 Income (continued)

ment by trust agreement with the Company:
(1) $9,000 of the principal sum to be held in trust, the income to be paid to the mother until the children arrive at college age, or to the guardian of the children in case of the mother's decease before that time; then a sufficient amount of the principal to be paid annually to the mother, if living, otherwise to the guardian of the children, to finance their college education.
(2) The balance of the $7,000 of the principal should be held under trust agreement with the Boston Safe Deposit and Trust Company, or the Old Colony Trust Company, or some other equally sound institution, with discretionary power to pay a sufficient amount of income and principal to the mother, if living, otherwise to the guardian of the children, for her and their proper maintenance until the fund is exhausted.

Item 3 - Annuity, if any: The above program leaves $49.44 remaining in the insurance budget which would buy a $1,000 Twenty Year Endowment, payable to the insured at age 55, enabling him at that age to start the purchase of single

$5,000 Income (continued)

premium life annuities. In the event of decease prior to maturity of endowment, the proceeds should be left in trust with the $7,000 mentioned above.

"It should be said that special knowledge of the conditions, other than are possible from the bare outline disclosed, might result in a different program being suggested."

This plan shows how money may be paid in allotted sums, or how trust funds are created to take care of some contingency. This should be readily understandable to eighth grade pupils if carefully presented. In the "Endowment at 85" plan suggested, the premiums are less per thousand than for any other type.

$5,000 Income (continued)

The arbitrary option just stated using the "Endowment at 85" plan, gives $21,000 protection at the father's death and $1,000 endowment payable when he is 55.

If the family wished to plan to have more cash for their later years for both the father and mother, an option using the 20-Year Endowment might be planned.

Option for Mr. and Mrs. E. (Income $5,000)

Mr. and Mrs. E. age 40, and George age 6, and Marion 8 their next birthdays, compose this family. The budget allotment (Table II, page 94) is $600 for life insurance.

Type	Protection	Annual Premium	Div. 10 Yr.	Cash Value
Mrs. E.-20-Pay.Life	$1,000	$ 43.54(a)	$ 59.35	$ 259.
George-Ed. End.	1,000	83.23	1,000. (b)	?
Marion-Ed. End.	1,000	98.01	1,000. (b)	?
Mr. E.-20 Yr. End.	7,000	371.98(c)	438.06	2,681.
	$2,000 and 1,000(a) and 7,000(c)	$596.76	$2,497.41(b)	$2,940.

(a) with double indemnity, (b) approximately, (c) with double indemnity and premium waiver for disability.

It is suggested that provision should be made in the policy for a monthly allotment of the $7,000 insurance left for Mrs. E.

Other options might be made choosing the "Whole Life Policy" or "Limited Payment"Policy which would give Mrs. E. more protection, but would not give any cash payments during Mr. E's life except the children's endowments. Pupils might be placed in groups to figure out different options, so many plans may be considered.

$5,000 Income (continued)

With this income, Mr. E. would probably have many types of insurance other than life insurance. It is proposed in this bracket to show how to read the rate card for those types that have not as yet been shown and to give some selection for these policies. The insurance that Mr. E. would probably wish to carry are fire insurance on his home and furniture; burglary insurance on his property; public liability, public damage, extra-territorial coverage, fire and theft on his automobile; accident and health protection for himself; and owners liability insurance.

I. Fire Insurance: By arbitrarily valuing Mr. E's two family house in Allston at $9,000 and his furniture at $2,500, what will it cost for fire insurance? (Table XIII, page 128)

1 yr. policy -	House	20¢ per $100	$18.00	
	Furniture	25¢ per $100	6.25	$24.25
3 yr. policy -	House	47¢ per $100	$42.30	
	Furniture	59¢ per $100	14.75	$57.05
5 yr. policy -	House	74¢ per $100	$66.60	
	Furniture	94¢ per $100	23.50	$90.10

How much will be saved on the 3 yr. policy?
($24.25 x 3 or 72.75 - 57.05 or $15.70 saved)

How much will be saved on the 5 yr. policy?
($24.25 x 5 or 121.25 - 90.10 or $31.15 saved)

How much of the 3 yr. policy amount should be allotted to the yearly budget? (1/3 of $57.05 or $19.02)

How much of the 5 yr. policy? (1/5 of $90.10 or $18.02)

How much of the 1 yr. policy? (All - $24.25)

Which plan is best?

$5,000 Income (continued)

II Burglary Insurance: To return to Mr. E's insurance, let us suppose he values his jewelry, sterling silver, and furs at $2,500 and personal property at $1,500. (Table XV, page 134) If he prefers the divided coverage, how much will that cost in his two-family house? ($27.30)

Does this give him full coverage in case of theft? (Yes)

What will a 3 yr. policy cost? (3 x 27.30 - 10% + 5% or $70.02)

If he prefers the 100% blanket coverage, how much will that cost? ($36.44)

For three years? ($93.47)

If he feels that burglars would only be apt to steal jewelry, furs and silver, he might prefer just the 50% blanket coverage for $2500. What would be the cost? ($21.73)
(Note - On rate chart under "Divided Coverage" section (a), the rates are the same as for 50% blanket coverage.)

How much would this charge be for 3 yrs.? ($55.74)

If you were Mr. E. what policy would you choose?

$5,000 Income (continued)

III Accident and Health Insurance: Let us suppose that Mr. E. is a construction foreman and buys a $1,000 Accident and Health policy. (Table XVI, page 137; Table XVII, page 138)

In what class would he be listed? (B)

How much would he be charged for it? ($33.60)

What benefits will he receive?

1. Total Loss of Time? ($80 monthly for 5 yrs.)
2. Partial Loss of Time? ($40 monthly for 6 mos.)
3. Confining Sickness? ($80 monthly for 6 mos.)
4. Non-confining Sickness? ($80 monthly for 1 mo.)
5. Accidental Death? ($1,000)
6. Accidental Loss of Both Hands or Both Feet? ($1,000)
7. " " " One Hand and One Foot? ($1,000)
8. " " " " " " Sight of One Eye? ($1,000)
9. " " " " Foot " " " " " ($1,000)
10. " " " Sight of Both Eyes? ($1,000)
11. " " " One Hand or One Foot? ($500)
12. " " " Sight of One Eye? ($333.34)

The class should decide whether a $1,000 policy is sufficient for a man earning a $5,000 salary and figure accordingly.

$5,000 Income (continued)

IV Owner's Liability Insurance: As Mr. E., in this case, owns a two-family house, his owner's liability insurance will be how much? ($10.50) Table XVIII, page 142.

Total cost of Mr. E's Insurance per year:

Life Insurance:	$600.00	less dividends
Fire Insurance:	18.02	av.5 yr. policy
Burglary Insurance:	36.44	100% blanket coverage
Accident and Health Insurance:	33.60	
Owner's Liability Insurance:	10.50	
	$698.56	

For the benefits received in the five classes, do you consider the money well spent?

Recapitulation.

It has been noted that planning insurance programs for the higher brackets of income requires the assistance of an expert. It does not seem feasible with Junior High pupils to continue further than the $5,000 income. From this point, therefore, the secondary role of problem Technique should disappear and the appreciation Technique should be resumed. As formal testing is not a part of this Technique, a review and check up is now possible by planning a grand finale in the form of another Red Letter Day. The following program for this is suggested.

Suggested Program for "Red Letter Day".

(Assembly period)

Life Insurance Program.

I Dialog: Prospective customer and insurance agent (pupils) Father of a family looking for the most protection for the lowest cost. Buys straight life. Discusses the cash surrender value and loan value.

II Discussion between two fathers (pupils) as to the advantages of limited payment over ordinary life insurance.

III Paper: "I just took out a 20-year endowment." Reasons.

IV Professional man (pupil) tells how he is starting out in his profession and is reasonably certain his salary will increase. Until it does, he wants the utmost protection he can afford for his wife and one child. He takes out a 5 or 10 year term insurance policy, understanding its convertible possibilities.

V Talk by an insurance expert (guest speaker) on annuities.

VI Family discussion between mother and father (pupils) who have three children. They have an income of $2,000, which they have budgeted. They need protec-

tion, provision for old age and money for the children's education. How is the problem solved?

VII Similar discussion for $4,000 income.

The preparation for this program really goes on while the pupils are doing the actual judging and computing in insurance. This program, therefore, constitutes a review and check-up and has in it provision for one hundred per cent pupil participation. Such a Red Letter Day is a fitting conclusion for the pupils for this unit of work.

CONCLUSION

Although insurance had its beginning in the early centuries and has progressed to its present importance, and although insurance companies are working toward the end that people shall become insurance conscious, there still remains a field of endeavor in insurance education of the public, which has developed little in the last century. This is in the field of education in the schools of our country, where the objective, that the future citizens should realize the benefits derived from insurance, has been overlooked.

This unit of work on insurance for the Junior High School has been planned with the idea of giving to the pupils the background and knowledge they should have on the subject. It furnishes a background of information about insurance, a discussion of how the schools may teach insurance, and a presentation of how to exercise judgment in selecting insurance and how to compute insurance.

The background of information, dealing as it does with the value of insurance in life, the history of insurance, kinds, and basic principles is intended to enrich the subject from an appreciation viewpoint. It is necessary that pupils should understand how insurance companies can pay out thousands of dollars in return for the premiums that people pay them. The appreciation viewpoint, as presented in this study, so different from the detached, uninteresting approach found in the arithmetic books of the past century, should awaken a vivid

interest in insurance and should give an insight into the different types and phases of the subject.

The plan of teaching this subject, as developed in this study, has been to expose the pupils to a wide range of information on the subject, adhering to the principles of the appreciation technique. Then by familiarizing the pupils with the necessary insurance charts and how to use them, the pupils are ready to start the next step, the judgment and computation of insurance.

To this end, this study presents this problem, "How much should typical families in the various brackets of income expend on insurance and what kind should they buy?" Life insurance necessarily becomes the major problem on account of its importance and its complicated forms. Budgeting assumes an important role, so that the pupils may learn that no matter what their incomes may be, they should be allotted to specific wants, not the least of which are both savings and insurance.

The plan, as developed here, then indicates a definite insurance program for typical families with incomes as follows: incomes under $1500, $1500, $2000, $3000, and $5000 incomes. In the lower brackets, obviously, only life insurance is considered, but in the higher brackets where the family would normally own real estate, automobiles, and other possessions of material worth, fire, burglary, automobile, health and accident, and liability insurance are considered, planned for, and computed. These programs are offered as a

suggestion as to how the pupils may develop similar programs. In selecting different incomes for different typical families, in making options from current rate charts, and in choosing the best plan for these families from these options, the children should gain some power in judging what selections to make for their own future needs, when that time arrives. One might even hope for a reaction in this regard in the present homes of some of the children. If there has been sufficient motivation, the carry-over should be maintained until the children are managing their own incomes and their own homes.

It would seem from this study that beginning with lower brackets of income and on to the higher brackets, the suitable types of insurance are as follows: industrial insurance at 5¢ or 10¢ a week or a monthly premium on the whole life paid-up at 75 plan, the ordinary whole life paid-up at 85 plan, the limited-payment life, endowments, and annuities, in that order. Not so much stress has been placed on the insurance problem of those who have no dependents, but it must be borne in mind that they should plan for an income in their later years and that endowments and annuities are the types of insurance to consider.

Although information concerning all kinds of insurance (other than social) has been included here, both for the purpose of motivation and provision for wide exposure to the subject, judgment and computation is confined to the needs of typical families. However, there is a field for judgment and computation in business and professional life that might

be deferred until the senior high school grades, where it could be studied with some degree of profit as an extended unit in economics.

An exhibit of illustrative material follows. It is recommended that such material be gathered and used freely for motivation and reference.

If, at the completion of this unit, through the teacher's own insight and understanding of the study, the pupils have developed an understanding of the needs for insurance and of the benefits derived therefrom; if they have a knowledge of the types of insurance with their advantages and disadvantages for certain incomes; if they are familiar with the insurance rate charts and know how to use them; and if they have developed some judgment in the selection of types to meet various incomes, the unit should have proven itself of immeasurable value.

EXHIBITS

WHOLE-LIFE $5,000 POLICY

No. Specimen

THE

John Hancock

MUTUAL

LIFE INSURANCE COMPANY

OF BOSTON, MASSACHUSETTS

Amount $5000

hereby insures the life of

John J. Hancock

and agrees to pay Five Thousand Dollars,

the sum insured, less any indebtedness to the Company hereon and less any unpaid balance of premium for the uncompleted policy year, upon due proof of the death of the Insured and the surrender of the policy while in full force, at the Company's Home Office in Boston, subject to the conditions and provisions hereinafter recited,

to Dorothy Q. Hancock, wife if living,

or to such other beneficiary as may be finally substituted under the conditions hereof, or if no such beneficiary be then living, then to the executors or administrators of the Insured.

This insurance is granted in consideration of the application herefor, a copy of which is attached hereto, and made a part of this contract, and of the payment upon delivery of this policy of the premium of

One Hundred Fourteen and 50/100 Dollars

and of the payment of a like premium on or before the First

day of January in each succeeding year until the death of the Insured.

POLICY AND APPLICATION THE ENTIRE CONTRACT This policy and the application herefor constitute the entire contract between the parties, and all statements made by the Insured or on his behalf shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall be used in defense to a claim hereunder unless it is contained in a written application herefor, and a copy of such application attached to this policy when issued. No modification or alteration of this policy or endorsement hereon will be valid unless made by the President, a Vice President, the Secretary or an Assistant Secretary, and no other person is authorized to modify or waive any of the terms and conditions of this policy, nor to extend the time for payment of premiums or other moneys due the Company, or to bind the Company by making any promise or by accepting any representation or information not contained in the application for this policy.

INCONTESTABILITY This policy shall be incontestable after it has been in force during the lifetime of the Insured for two years from its date of issue, except for non-payment of premium and except as to provisions and conditions relating to benefits in the event of total and permanent disability and those granting additional insurance specifically against death by accident; but in case the age has been misstated, the amount payable hereunder shall be that which the premium paid would have purchased at the correct age. If the Insured shall die during the first two years of this policy by his own hand or act, while sane or insane, the liability of the Company shall be limited to the premiums paid hereon.

The Rights, Options, and Provisions hereinafter set forth are hereby made a part of this Contract.

In Witness Whereof, *the* JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY *has, by its President and Secretary, executed and delivered this contract and caused the same to be duly countersigned, at Boston, Massachusetts, on this* First *day of* January *A. D.* 1934

Charles J. Dinan
Secretary.

Walter I. Cooke
President.

Countersigned Specimen *Policy Registrar.*

SPECIMEN

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Payment of Premiums.—All premiums hereunder are payable in advance, annually, or in regular equivalent semi-annual or quarterly instalments at the Company's published rates, at the Home Office of the Company, or to a duly authorized agent presenting the official receipt signed by the President or Secretary, and countersigned by the agent designated on such receipt. Except as herein expressly provided, the payment of any premium or instalment thereof shall not maintain this policy in force beyond the date when the succeeding premium or instalment becomes payable.

Grace Period.—A grace of thirty-one days without interest, during which time the policy shall remain in force, will be granted for the payment of premiums or regular instalments thereof, after the first. If the death of the Insured occur during the days of grace, the sum necessary to complete payment of premium for the then current policy year will be deducted from the amount payable hereunder.

Change of Beneficiary.—If the right has been reserved, the Insured may change the beneficiary from time to time, subject to the rights of any assignee, by written request upon the blanks of the Company filed at its Home Office, but such change shall take effect only upon endorsement hereon.

Annual Surplus Distribution.—Beginning not later than the end of the second policy year, and annually thereafter, while this policy is in force, the proportion of divisible surplus accruing upon this policy shall be ascertained and there shall be distributed hereon, such share of surplus as may be apportioned hereto by the Company.

Distribution Options.—Such surplus distributions may at the election of the holder be—(*a*) taken in cash, (*b*) applied in abatement of premium payments, (*c*) left on deposit with the Company to accumulate with interest at the rate of not less than three and one-half per cent per annum, payable with the policy or withdrawable in cash on demand by the holder, or (*d*) applied to purchase non-forfeitable participating paid-up additions. If no election is in effect on any anniversary, the distribution for that anniversary shall be held on deposit, as provided in option (*c*), and if any premium remains unpaid at the expiration of the grace period the Company will apply the deposit to the payment of the premium in default, if said deposit be sufficient for that purpose, otherwise to the payment of such smaller regular instalment as the deposit may be sufficient to pay in full, and any such application of such deposit shall be a discharge to the Company for the amount so applied. Surplus apportioned to this policy while it is running as extended insurance shall not be available to maintain the policy in force beyond the extension term.

Loans.—At any time while the policy is in force, after two full years' premiums have been paid (unless the policy is running as extended insurance) the Company will loan, upon proper assignment, and upon the sole security of this policy, a sum not exceeding the cash surrender value of the policy and outstanding dividend additions, at the end of the then current policy year, less any outstanding indebtedness and interest on the total amount loaned to the next policy anniversary, and less any unpaid balance of premium for the then current policy year. Interest on the loan will be at the rate of six per cent per annum, payable annually on each anniversary of the policy. If the policy is payable to a revocable beneficiary, loans will be made upon the sole signature of the Insured. At its option, the Company may defer the granting of any loan, other than to pay premiums on policies in this Company, for a period not exceeding ninety days after the application therefor is made. Any interest in default will be added to the principal of the loan.

Automatic Loans to Pay Premiums.—Upon written request by the Insured and any assignee upon the Company's prescribed form, subject to revocation at any time, provision may be made for automatic application of the loan provision to the payment of future premiums.

Repayment of Loans.—The whole or any part of a loan may be repaid at any time. Failure to repay the loan or to pay interest thereon, shall not avoid the policy while the indebtedness is less than the cash surrender value, nor until thirty-one days after notice has been mailed to the last known address of the Insured and any assignee.

Assignments.—No assignment hereof shall be binding on the Company until filed at its Home Office. The Company assumes no responsibility as to the validity of any assignment.

Reinstatement.—At any time after default in payment of premium (unless the cash surrender value has been paid, or the extension term expired, if the policy has been so carried), this policy may be reinstated, upon production of evidence of insurability satisfactory to the Company and approved at its Home Office, and upon payment or reinstatement of any indebtedness to the Company hereon and payment of arrears of premiums, with interest at the rate of six per cent per annum.

Conversion Privilege.—At any time while this policy is in full force (unless the Insured has become disabled under the total and permanent disability benefit provision) it may be exchanged without medical examination, upon due release, for a policy of not greater amount, upon any plan having a higher premium rate, except a continuous monthly instalment or joint life plan, which the Company issues at the date hereof, but without the right to disability benefits or additional benefit for accidental death. The new policy shall bear the date of this policy, premiums shall be at the rate applicable at said date for the form chosen, and the cost to change shall be the difference between the premiums under the new policy and the premiums paid under this policy (exclusive of any special premiums paid for disability benefits or additional benefit for accidental death) for the same period and the same amount of insurance, with interest compounded annually at the rate of six per cent per annum, and with proper adjustment of differences between the amounts of surplus distributions under the two forms of policies. Disability benefits and additional benefit for accidental death previously granted may, at the discretion of the Company, be made applicable under the new policy, subject to the limitations and requirements of the Company in effect at the time of conversion.

NON-FORFEITURE PROVISIONS

After two full annual premiums have been paid on this policy, the holder hereof, within thirty-one days after default in the payment of a subsequent premium, may elect, by a writing filed with the Company at its Home Office, any one of the following options; but the Company may defer the payment of any cash value for not exceeding ninety days from the date of the application therefor.

A. **CASH SURRENDER VALUE.**—To surrender the policy and, with the written assent of the person to whom it is made payable, receive its value in cash.

B. **PAID-UP INSURANCE.**—To continue the policy for its value in participating paid-up insurance, having an increasing cash surrender value and payable at the same time and on the same conditions as this policy, but without disability benefits or additional benefit for accidental death. This provision shall be automatically binding upon the Company, without any further stipulation or act, unless cash surrender value or extended insurance is selected.

C. **EXTENDED INSURANCE.**—To have the policy continued, from the date of the premium last due, for its face amount, increased by any additions and decreased by any indebtedness to the Company hereon, for its value in participating extended term insurance. Such extended term insurance shall have a decreasing surrender value expiring with the extension term but without loan value or disability benefits or additional benefit for accidental death. Upon written request while no premium is in default under this policy, this provision may be made automatic by endorsement hereon.

The cash surrender value will be the reserve on the policy and any outstanding dividend additions, at the date of default in payment of premiums, less a surrender charge of one per cent of the face amount of the policy at the end of the second year, one-half of one per cent of the face amount of the policy at the end of the third year, and thereafter the surrender value will be the full reserve at the nearest even dollar per thousand dollars of insurance, less any indebtedness to the Company hereon.

The paid-up and extended insurances are computed upon the basis of the surrender value applied as a net single premium at the attained age of the Insured upon the mortality and interest basis adopted for the reserve computation hereunder.

The legal reserve under this policy is computed by the net level premium method upon the American Experience Table of Mortality, with interest at three and one-half per cent per annum.

Values not stated in the table herein will be furnished on request.

Table of Non-Forfeiture and Loan Values

The values as herein stated are for full-paid policy years, for each $5,000 of Insurance, and will be increased by outstanding additions and by payment of instalments of premiums beyond the full-paid policy year, but will be decreased by any indebtedness hereon or secured hereby.

After payment of premiums for	Loan or Cash Surrender Value at End of Policy Year	Participating Paid-up Life Insurance	Participating Extended Insurance	
			Years	Days
2 yrs.	70	180	1	210
3 "	155	400	3	208
4 "	245	615	5	220
5 "	315	765	7	6
6 "	380	915	8	138
7 "	455	1060	9	251
8 "	525	1205	10	278
9 "	600	1350	11	273
10 "	680	1490	12	217
11 "	760	1625	13	114
12 "	840	1765	13	331
13 "	925	1895	14	141
14 "	1010	2025	14	281
15 "	1095	2155	15	23
16 "	1185	2280	15	101
17 "	1275	2400	15	154
18 "	1365	2515	15	184
19 "	1460	2635	15	195
20 "	1555	2745	15	187
25 "	2035	3250	14	320
30 "	2525	3670	13	261

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OPTIONAL METHODS OF SETTLEMENT

The Insured, or the beneficiary in the absence of election by the Insured during his lifetime, may, subject to the rights of any assignee or irrevocable beneficiary, by written notice to the Company at its Home Office, elect to have the net sum due under this policy if not less than $1,000 paid in accordance with the terms of any one of the following options:

Option 1—Proceeds left on Deposit. The net sum payable may be left on deposit with the Company, and the Company will pay interest thereon at not less than three and one-half per cent per annum. Payment of the sum left on deposit will be made under such conditions as may be agreed upon when the option is elected.

Option 2—Limited Income. Equal payments for a stipulated number of years as set forth in the following table:

Equal Payments for each $1,000 of the net sum payable

Number of Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Annual Payment		$503.60	$344.86	$263.04	$213.99	$181.32	$158.01	$140.56	$127.00	$116.18	$107.34	$99.98	$93.78	$88.47	$83.89
Monthly Payment	$84.65	43.05	29 10	22.27	18.11	15.35	13.38	11.90	10.75	9.83	9.09	8.46	7.94	7.49	7.10
Number of Years	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Annual Payment	$79.59	$76.37	$73.25	$70.47	$67.96	$65.74	$63.70	$61.85	$60.17	$58.62	$57.20	$55.90	$54.60	$53.57	$52.53
Monthly Payment	6.76	6.46	6.20	5.97	5.75	5.56	5.39	5.24	5.09	4.96	4.84	4 73	4.63	4.53	4.45

Option 3—Life Income. Equal payments for a stipulated number of years and thereafter as long as the payee shall live, the amount of such payments to be based upon the age at nearest birthday of the payee at the date of maturity of the policy.

TABLE FOR MALE LIVES

Equal Payments for 20 years and thereafter as long as payee shall live, for each $1,000 of the net sum payable

Age	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Annual Payment	$41.25	$41.47	$41.70	$41.93	$42.17	$42.40	$42.65	$42.90	$43.17	$43.44	$43.73	$44.03	$44.33	$44.65	$44.98	$45.33	$45.68	$46.05	$46.43	$46.83	$47.24	$47.66
Monthly Payment	3.50	3.52	3.54	3.56	3.58	3.60	3.62	3.64	3.67	3.69	3.72	3.74	3.77	3.79	3.82	3.85	3.88	3.92	3.95	3.98	4.02	4.05
Age	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
Annual Payment	$48.10	$48.55	$49.02	$49.50	$50.00	$50.51	$51.03	$51.57	$52.12	$52.69	$53.27	$53.86	$54.46	$55.07	$55.69	$56.32	$56.95	$57.58	$58.22	$58.86	$59.40	$60.11
Monthly Payment	4.09	4.13	4.17	4.21	4.25	4.30	4.34	4.39	4.44	4.49	4.53	4.59	4.64	4.69	4.74	4.79	4.85	4.90	4.96	5.01	5.06	5.12
Age	54	55	56	57	58	59	60	61	62	63	64	65	55	57	68	59	70	71	72	73	74	75
Annual Payment	$60.73	$61.34	$61.93	$62.50	$63.05	$63.58	$64.08	$64.55	$64.99	$65.40	$65.73	$66.12	$66.43	$66.70	$66.94	$67.14	$67.32	$67.47	$67.50	$67.69	$67.77	$67.83
Monthly Payment	5.17	5.22	5.27	5.31	5.36	5.40	5.45	5.48	5.52	5.55	5.56	5.61	5.64	5.66	5.68	5.69	5.70	5.72	5.73	5.73	5.74	5.74

TABLE FOR FEMALE LIVES

Equal Payments for 20 years and thereafter as long as payee shall live, for each $1,000 of the net sum payable

Age	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Annual Payment	$40.50	$40.67	$40.85	$41.04	$41.25	$41.47	$41.70	$41.03	$42.17	$42.40	$42.65	$42.90	$43.17	$43.44	$43.73	$44.03	$44.33	$44.65	$44.96	$45.33	$45.68	$46.05
Monthly Payment	6.44	3.45	3.47	3.48	3.50	3.52	3.54	6.56	3.58	3.60	3.62	3.64	3.67	3.69	3.72	3.74	3.77	3.79	3.62	3.85	3.88	3.92
Age	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
Annual Payment	$46.43	$46.83	$47.24	$47.66	$48.10	$48.55	$49.02	$49.50	$50.00	$50.51	$51.03	$51.57	$52.12	$52.69	$53.27	$53.86	$54.46	$55.07	$55.69	$56.32	$56.95	$57.58
Monthly Payment	3.95	3.98	4.02	4.05	4 09	4.13	4.17	4.21	4.25	4.30	4.34	4.39	4.44	4.49	4.53	4.59	4.64	4.69	4.74	4.79	4.85	4.90
Age	54	55	56	57	58	59	60	51	62	63	64	65	66	67	56	59	70	71	72	73	74	75
Annual Payment	$58.22	$58.86	$59.49	$60.11	$60.73	$61.34	$61.93	$62.50	$63.05	$63.58	$64.08	$64.55	$64.99	$65.40	$65.76	$66.12	$66.43	$66.70	$66.94	$67.14	$67.32	$67.47
Monthly Payment	4.96	5.01	5.06	5.12	5.17	5.22	5.27	5.31	5.36	5.40	5.45	5.49	5.52	5.55	5.58	5.61	5.64	5.66	5.68	5.69	5.70	5.72

These optional methods of settlement shall not be applicable to a policy payable to a corporation, partnership, or association, or to an assignee.

The method of settlement elected by the Insured shall not be varied by the payee, but if such method of settlement has been chosen by the beneficiary, such beneficiary shall have the right to change or the right to commute any stipulated payments remaining unpaid under Option 2 or 3 upon the basis of interest at three and one-half per cent per annum.

The first payment under Option 2 or 3 will be made immediately. Any stipulated payments remaining unpaid under Option 2 or 3 at the death of the payee last entitled to receive such payments shall be commuted and paid in one sum to the executors or administrators of said payee last entitled to payments.

On funds left on deposit under Option 1, or funds held for payment of stipulated payments under Option 2 or 3, there shall be paid such share of interest earned in excess of three and one-half per cent per annum as the Company may from year to year determine.

Option 4—Settlement by Mutual Agreement. Provision may be made for payment of the net sum due under this policy in any other manner that may be mutually agreed upon in writing by the Insured and the Company.

In case of any question under this policy, write the Company at Boston, Massachusetts, or any Agency of the Company.

FILING BACK

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Policy No. Specimen

ON LIFE OF

John Hancock

Amount $5000 — Age 35

PREFERRED RISK WHOLE LIFE POLICY
MATURING AT DEATH

PREMIUMS PAYABLE DURING LIFE

ANNUAL DISTRIBUTION PERIOD

Annual Premium	$114.50	*Payable*
Disability Premium		
Accidental Death Benefit Premium		Jan 1
Family Income Premium		

In Each Year During Life
As Provided in the Policy

The Assured is hereby notified that by virtue of this policy he is a member of the JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, and is entitled to vote, either in person or by proxy, at any and all meetings of said Company. The annual meetings are held at its Home Office on the second Monday of February in each year, at twelve o'clock noon.

It is not necessary to employ any firm or person to collect the proceeds under this policy.

ENDOWMENT AT 85

No. Specimen

THE

John Hancock

MUTUAL

LIFE INSURANCE COMPANY

OF BOSTON, MASSACHUSETTS

Amount $10,000

hereby insures the life of

John Hancock

and agrees to pay Ten Thousand Dollars, the sum insured, less any indebtedness to the Company hereon and less any unpaid balance of premium for the uncompleted policy year, upon due proof on the Company's prescribed forms, of the death of the Insured while the policy is in full force, and upon its surrender at the Company's Home Office in Boston, subject to the conditions and provisions hereinafter recited, to

Dorothy D. Hancock, wife if living, or to such other beneficiary as may be finally substituted under the conditions hereof, or if no such beneficiary be then living, payment will be made to the executors or administrators of the Insured; or

The Company will pay the said sum as an Endowment to the Insured if living at the end of the policy year nearest to age eighty-five, if at that time the policy is in full force, upon due surrender of the policy at its Home Office in Boston, less any indebtedness and subject to the conditions and provisions as hereinafter recited.

This insurance is granted in consideration of the application herefor, a copy of which is attached hereto, and made a part of this contract, and of the payment of the annual premium of

Two Hundred Sixty 60/100 Dollars

and of the payment of a like premium on or before the First day of April in each succeeding year until the premiums for Fifty full years have been paid or until the prior death of the Insured.

SPECIMEN

POLICY AND APPLICATION THE ENTIRE CONTRACT This policy and the application herefor constitute the entire contract between the parties, and all statements made by the Insured or on his behalf shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall be used in defense to a claim hereunder unless it is contained in a written application herefor, and a copy of such application attached to this policy when issued. No modification or alteration of this policy or endorsement hereon will be valid unless made by the President, a Vice President, the Secretary or an Assistant Secretary, and no other person is authorized to modify or waive any of the terms and conditions of this policy, nor to extend the time for payment of premiums or other moneys due the Company, or to bind the Company by making any promise or by accepting any representation or information not contained in the application for this policy.

INCONTESTABILITY If the Insured shall die within two years from the date of issue of this policy by his own hand or act, while sane or insane, the liability of the Company shall be limited to the premiums paid hereon. After this policy has been in force during the lifetime of the Insured for two years from its date of issue, it shall be incontestable except for non-payment of premium and except as to provisions and conditions relating to benefits in the event of total and permanent disability and those granting additional insurance specifically against death by accident but if the age of the Insured has been misstated, the amount payable hereunder shall be that which the premium paid would have purchased at the correct age.

The Conditions and Provisions hereinafter set forth are hereby made a part of this Contract.

In Witness Whereof, *the JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY has, by its President and Secretary, executed and delivered this contract and caused the same to be duly countersigned, at Boston, Massachusetts, on this* First *day of* April *A. D.* 1935, *which is the date of issue of this policy.*

Charles A. Dinan
Secretary.

Walter D. Crocker
President.

Countersigned Specimen *Policy Registrar.*

D. or AGE 85 Ed. 4-1935 Form 1090 O 35

Payment of Premiums.—All premiums hereunder are payable in advance, annually, or in regular equivalent semi-annual or quarterly instalments at the Company's published rates, at the Home Office of the Company, or to a duly authorized agent presenting the official receipt signed by the President or Secretary, and countersigned by the agent designated on such receipt. Except as herein expressly provided, the payment of any premium or instalment thereof shall not maintain this policy in force beyond the date when the succeeding premium or instalment becomes payable.

Grace Period.—A grace of thirty-one days without interest, during which time the policy shall remain in force, will be granted for the payment of premiums or regular instalments thereof, after the first. If the death of the Insured occur during the days of grace, the sum necessary to complete payment of premium for the then current policy year will be deducted from the amount payable hereunder.

Change of Beneficiary.—If the right has been reserved, the Insured, unless there be an existing assignment of this policy, may change the beneficiary from time to time by written request upon the blanks of the Company filed at its Home Office, but such change shall take effect only upon endorsement hereon.

Annual Surplus Distribution.—The proportion of divisible surplus accruing upon this policy shall be ascertained annually. Beginning at the end of the second insurance year, and on each anniversary thereafter, such surplus as shall have been apportioned by the Company to this policy, shall be available under any one of the following options:

Distribution Options.—Such surplus distributions may be—(*a*) taken in cash, (*b*) applied in abatement of premium payments, (*c*) left on deposit with the Company to accumulate with interest at the rate of not less than three per cent per annum, payable with the policy or withdrawable in cash on demand, or (*d*) applied to purchase non-forfeitable participating paid-up additions. In the absence of election in writing of one of the above options on any anniversary of the policy, the distribution for that anniversary shall be held on deposit, as provided in option (*c*), and if any premium remains unpaid at the expiration of the grace period the Company will apply the deposit to the payment of the premium in default, if said deposit be sufficient for that purpose, otherwise to the payment of such smaller regular instalment as the deposit may be sufficient to pay in full, and any such application of such deposit shall be a discharge to the Company for the amount so applied. Surplus apportioned to this policy while it is running as extended insurance shall not be available to maintain the policy in force beyond the extension term.

Application of Surplus Distributions to Shorten Term of Premium Payments or Mature Policy.—Whenever the surplus accumulations under this policy, or the reserve under any outstanding additions hereunder, or both, together with the policy reserve, shall equal the reserve on the same basis for a fully paid-up policy of the same kind and amount, the Company will, upon written request and upon due release, endorse the policy, subject to any indebtedness, as paid up in full with participation; or when the sum of said reserves and accumulations is equal to the face amount of this policy, the Company on request and due surrender will pay such amount, less any indebtedness hereunder, as an endowment.

Loans.—At any time while the policy is in force, after two full years' premiums have been paid (unless the policy is running as extended insurance) the Company will loan, upon the sole security of this policy and upon an assignment thereof satisfactory to the Company, a sum not exceeding the cash surrender value of the policy and outstanding additions, at the end of the then current policy year, less any outstanding indebtedness and interest on the total amount loaned to the next policy anniversary, and less any unpaid balance of premium for the then current policy year. Interest on the loan will be at the rate of six per cent per annum, payable annually on each anniversary of the policy. If the policy is payable to a revocable beneficiary, loans will be made upon the sole signature of the Insured. At its option, the Company may defer the granting of any loan, other than to pay premiums on policies in this Company, for not exceeding ninety days after the application therefor is made. Any interest in default will be added to the principal of the loan.

Automatic Loans to Pay Premiums.—On due written request upon the Company's prescribed form, subject to revocation at any time, provision may be made for automatic application of the loan provision to the payment of future premiums.

Repayment of Loans.—The whole or any part of a loan may be repaid at any time. Failure to repay the loan or to pay interest thereon, shall not avoid the policy while the indebtedness is less than the cash surrender value, nor until thirty-one days after notice has been mailed to the last known address of the Insured and any assignee.

Assignments.—No assignment hereof shall be binding on the Company until filed at its Home Office. The Company assumes no responsibility as to the validity of any assignment.

Reinstatement.—At any time after default in payment of premium (unless the cash surrender value has been paid, or the extension term expired, if the policy has been so carried), this policy may be reinstated, upon production of evidence of insurability satisfactory to the Company and approved at its Home Office, and upon payment or reinstatement of any indebtedness to the Company hereon and payment of arrears of premiums, with interest at the rate of six per cent per annum.

Conversion Privilege.—This policy, if there is no default in premium payment, may (unless the Insured is disabled within the meaning of, or has made claim under any total and permanent disability benefit provision hereunder) be exchanged without medical examination, upon due release, for a policy of not greater amount upon any plan having a higher premium rate, not involving any other life, which the Company issues at the date hereof. The new policy shall bear the date of this policy, and shall include such provisions for disability benefit and additional benefit for accidental death as may be in effect under this policy at the time of exchange. Premiums shall be at the rate applicable at the date of this policy for the form chosen, and the cost to change shall be the difference in premiums for equal amounts of insurance, with compound interest at the rate of six per cent per annum from the due date of each premium to the date of exchange, with proper adjustment of difference between the amount of surplus distribution under the two forms of policies.

NON-FORFEITURE PROVISIONS

After two full annual premiums have been paid on this policy, any one of the following non-forfeiture options may be elected by writing filed with the Company at its Home Office within thirty-one days after default in the payment of a subsequent premium; but the Company may defer the payment of any cash value for not exceeding ninety days from the date of the application therefor.

A. Cash Surrender Value.—The policy may be surrendered and, with the written assent of the person to whom it is made payable, its value at the nearest dollar per thousand dollars of insurance paid in cash.

B. Paid-Up Insurance.—The policy may be continued for its value in participating paid-up endowment insurance, having an increasing cash surrender value and payable at the same time and on the same conditions as this policy. Such paid-up insurance shall be automatically binding upon the Company, without any further stipulation or act, unless cash surrender value or extended insurance is elected.

C. Extended Insurance.—The policy may be continued from the date of the premium last due, for its face amount, increased by any additions and decreased by any indebtedness to the Company hereon, for its value in participating extended term insurance having a final value if so stated in the table, payable in cash at the end of the extension term if the Insured be then living. Such insurance shall have a surrender value expiring with the extension term, when the insurance will cease and the contract be terminated by payment in cash of the final value if there be any such value then due. Upon written request while no premium is in default under this policy, this provision may be made automatic.

The cash surrender value will be the reserve on the policy at the date of default in payment of premium, less a decreasing surrender charge having a maximum at the end of the second policy year of not more than two per cent of the face amount of the policy, and for the tenth and subsequent policy years the surrender value will be the policy reserve. Such surrender value will be increased by the reserve on any outstanding additions to the policy and decreased by any indebtedness to the Company hereon.

The paid-up and extended insurances are computed upon the basis of the cash surrender value applied as a net single premium at the attained age of the Insured upon the mortality and interest basis adopted for the reserve computation hereunder. Such insurances shall carry no disability benefits or additional benefit for accidental death.

The legal reserve under this policy is computed by the net level premium method upon the American Experience Table of Mortality, with interest at three per cent per annum.

Values not stated in the table herein will be furnished on request.

Table of Non-Forfeiture and Loan Values

The values as herein stated are for full-paid policy years, for each $1,000 of face amount of Insurance, and will be increased by outstanding additions and by payment of instalments of premiums beyond the full-paid policy year, but will be decreased by any indebtedness hereon. The term for which the policy will be continued as extended insurance will be the same for any amount of insurance.

After payment of premiums for	Loan or Cash Surrender Value at End of Policy Year	Participating Paid-up Endowment Insurance	Participating Extended Insurance		
			Years	Days	Final Value
2 yrs.	6	15	0	260	
3 "	25	57	2	293	
4 "	42	93	4	253	
5 "	59	128	6	161	
6 "	76	161	8	41	
7 "	93	195	9	235	
8 "	111	227	11	2	
9 "	129	259	12	66	
10 "	148	291	13	65	
11 "	164	318	13	316	
12 "	182	345	14	156	
13 "	199	372	14	321	
14 "	217	397	15	84	
15 "	236	423	15	181	
16 "	254	448	15	250	
17 "	273	472	15	294	
18 "	293	495	15	317	
19 "	312	518	15	320	
20 "	331	541	15	307	
25 "	431	643	15	60	
30 "	531	729	14	5	

OPTIONAL METHODS OF SETTLEMENT

The Insured, subject to the rights of any assignee or of any beneficiary whose interest is irrevocable, may elect by written notice to the Company at its Home Office, to have the net sum due under this policy if not less than $1,000 paid in accordance with the terms of any one of the following options; or, in the absence of election by the Insured, the beneficiary may elect similar options when the proceeds of the policy become payable to such beneficiary.

Option 1—Proceeds left on Deposit. The net sum payable may be left on deposit with the Company, and the Company will pay interest thereon at not less than three per cent per annum. Payment of the sum left on deposit will be made under such conditions as may be agreed upon when the option is elected.

Option 2—Limited Income. Equal payments for a stipulated number of years as set forth in the following table:

Equal Payments for each $1,000 of the net sum payable

Number of Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Annual Payment		$507.39	$343.23	$261.10	$211.99	$179.22	$155.83	$138.31	$124.69	$113.82	$104.93	$97.54	$91.29	$85.95	$81.33
Monthly Payment	$84.47	42.86	28.99	22.06	17.91	15.14	13.10	11.68	10.53	9.61	8.86	8.24	7.71	7.26	6.87
Number of Years	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Annual Payment	$77.29	$73.74	$70.59	$67.78	$65.26	$62.98	$60.92	$59.04	$57.33	$55.76	$54.31	$52.97	$51.74	$50.60	$49.53
Monthly Payment	6.53	6.23	5.90	5.73	5.51	5.32	5.15	4.99	4.84	4.71	4.59	4.47	4.37	4.27	4.18

Option 3—Life Income. Equal payments for a stipulated number of years and thereafter as long as the payee shall live, the amount of such payments to be based upon the age at nearest birthday of the payee at the date of maturity of the policy.

TABLE FOR MALE LIVES

Equal Payments for 20 years and thereafter as long as payee shall live, for each $1,000 of the net sum payable

Age	10 & under	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Annual Payment	$40.23	$40.44	$40.65	$40.88	$41.10	$41.33	$41.58	$41.80	$42.05	$42.31	$42.59	$42.87	$43.10	$43.40	$43.77	$44.10	$44.44	$44.79	$45.15	$45.52	$45.91	$46.31
Monthly Payment	3.41	3.43	3.45	3.47	3.49	3.50	3.52	3.55	3.57	3.59	3.61	3.64	3.66	3.69	3.71	3.71	3.77	3.80	3.83	3.86	3.90	3.93
Age	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
Annual Payment	$46.73	$47.15	$47.59	$48.04	$48.51	$48.99	$49.48	$49.99	$50.51	$51.04	$51.58	$52.14	$52.70	$53.27	$53.85	$54.44	$55.03	$55.62	$56.21	$56.80	$57.39	$57.97
Monthly Payment	3.97	4.00	4.04	4.03	4.12	4.10	4.20	4.25	4.29	4.34	4.38	4.43	4.48	4.53	4.58	4.63	4.68	4.73	4.78	4.83	4.87	4.92
Age	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75 & over
Annual Payment	$58.55	$59.11	$59.65	$60.19	$60.70	$61.10	$61.65	$62.09	$62.50	$62.88	$63.23	$63.54	$63.82	$64.08	$64.30	$64.48	$64.65	$64.78	$64.90	$64.99	$65.06	$65.11
Monthly Payment	4.97	5.02	5.06	5.11	5.15	5.19	5.23	5.28	5.30	5.33	5.36	5.38	5.40	5.42	5.44	5.45	5.47	5.48	5.49	5.49	5.50	5.50

TABLE FOR FEMALE LIVES

Equal Payments for 20 years and thereafter as long as payee shall live, for each $1,000 of the net sum payable

Age	10 & under	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Annual Payment	$39.52	$39.68	$39.85	$40.03	$40.23	$40.44	$40.85	$40.88	$41.10	$41.33	$41.56	$41.80	$42.05	$42.31	$42.59	$42.87	$43.16	$43.46	$43.77	$44.10	$44.44	$44.79
Monthly Payment	3.35	3.30	3.38	3.39	3.41	3.43	3.45	3.47	3.49	3.50	3.52	3.55	3.57	3.59	3.61	3.64	3.66	3.69	3.71	3.74	3.77	3.80
Age	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
Annual Payment	$45.15	$45.52	$45.91	$46.31	$46.72	$47.15	$47.59	$48.04	$48.51	$48.99	$49.48	$49.99	$50.51	$51.04	$51.58	$52.14	$52.70	$53.27	$53.85	$54.44	$55.03	$55.62
Monthly Payment	3.83	3.86	3.90	3.93	3.97	4.00	4.04	4.08	4.12	4.18	4.20	4.25	4.29	4.34	4.38	4.43	4.48	4.53	4.68	4.63	4.88	4.73
Age	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75 & over
Annual Payment	$50.21	$50.80	$57.39	$57.97	$58.55	$59.11	$59.60	$60.19	$60.70	$61.19	$61.65	$62.09	$62.50	$62.88	$63.23	$63.54	$63.82	$64.08	$64.30	$64.48	$64.65	$64.78
Monthly Payment	4.78	4.83	4.87	4.92	4.97	5.02	5.08	5.11	5.15	5.19	5.23	5.26	5.30	5.33	5.36	5.38	5.40	5.42	5.44	5.45	5.47	5.48

These optional methods of settlement shall not be applicable to a policy payable to a corporation, partnership, or association, or to an assignee.

The method of settlement elected by the Insured shall not be varied by the payee, but if such method of settlement has been chosen by the beneficiary, such beneficiary shall have the right to change or the right to commute any stipulated payments remaining unpaid under Option 2 or 3 upon the basis of interest at three per cent per annum.

The first payment under Option 2 or 3 will be made immediately. Any stipulated payments remaining unpaid under Option 2 or 3 at the death of the payee last entitled to receive such payments shall be commuted and paid in one sum to the executors or administrators of said payee last entitled to payments.

On funds left on deposit under Option 1, or funds held for payment of stipulated payments under Option 2 or 3, there shall be paid such share of interest earned in excess of three per cent per annum as the Company may from year to year determine.

Option 4—Settlement by Mutual Agreement. Provision may be made for payment of the net sum due under this policy in any other manner that may be mutually agreed upon in writing by the Insured and the Company.

D. or AGE 85 Ed. 4-193S Form 1090 O 35

In case of any question under this policy, write the Company at Boston, Massachusetts, or any Agency of the Company.

It is not necessary to employ any firm or person to collect the proceeds under this policy.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Policy No. Specimen

ON LIFE OF

John Hancock

Amount $10,000 — Age 35

Date of Issue April 1, 1935

INSURANCE PAYABLE AT DEATH
OR AGE EIGHTY-FIVE

PREMIUMS PAYABLE DURING 50 YEARS

ANNUAL SURPLUS DISTRIBUTION

Annual Premium	$260.60	*Payable*
Disability Premium		
Accidental Death Benefit Premium		April 1
Family Income Premium		

The Assured is hereby notified that by virtue of this policy he is a member of the JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, and is entitled to vote, either in person or by proxy, at any and all meetings of said Company. The annual meetings are held at its Home Office on the second Monday of February in each year, at twelve o'clock noon.

D. or AGE 85 Ed. 4-1935 Form 1090 O 35

20 PAYMENT LIFE

THE

No. Specimen

Amount $10,000

John Hancock

MUTUAL

LIFE INSURANCE COMPANY

OF BOSTON, MASSACHUSETTS

hereby insures the life of

John Hancock

and agrees to pay Ten Thousand Dollars,
the sum insured, less any indebtness to the Company hereon and less any unpaid balance of premium for the uncompleted policy year, upon due proof on the Company's prescribed forms, of the death of the Insured while the policy is in full force, and upon its surrender at the Company's Home Office in Boston, subject to the conditions and provisions hereinafter recited, to

Dorothy D. Hancock, wife if living,
or to such other beneficiary as may be finally substituted under the conditions hereof, or if no such beneficiary be then living, then to the executors or administrators of the Insured.

This insurance is granted in consideration of the application herefor, a copy of which is attached hereto, and made a part of this contract, and of the payment of the annual premium of

Three Hundred Fifty-eight and 40/100 Dollars

and of the payment of a like premium on or before the First day of April in each succeeding year until the premiums for Twenty full years have been paid or until the prior death of the Insured.

POLICY AND APPLICATION THE ENTIRE CONTRACT This policy and the application herefor constitute the entire contract between the parties, and all statements made by the Insured or on his behalf shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall be used in defense to a claim hereunder unless it is contained in a written application herefor, and a copy of such application attached to this policy when issued. No modification or alteration of this policy or endorsement hereon will be valid unless made by the President, a Vice President, the Secretary or an Assistant Secretary, and no other person is authorized to modify or waive any of the terms and conditions of this policy, nor to extend the time for payment of premiums or other moneys due the Company, or to bind the Company by making any promise or by accepting any representation or information not contained in the application for this policy.

INCONTESTABILITY If the Insured shall die within two years from the date of issue of this policy by his own hand or act, while sane or insane, the liability of the Company shall be limited to the premiums paid hereon. After this policy has been in force during the lifetime of the Insured for two years from its date of issue, it shall be incontestable except for non-payment of premium and except as to provisions and conditions relating to benefits in the event of total and permanent disability and those granting additional insurance specifically against death by accident but if the age of the Insured has been misstated, the amount payable hereunder shall be that which the premium paid would have purchased at the correct age.

The Conditions and Provisions hereinafter set forth are hereby made a part of this Contract.

In Witness Whereof, the JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY has, by its President and Secretary, executed and delivered this contract and caused the same to be duly countersigned, at Boston, Massachusetts, on this First day of April A. D. 1935, which is the date of issue of this policy.

Charles A. Dinman
Secretary.

Walter D. Crocker
President.

Countersigned Specimen Policy Registrar.

LL. Ed. 4-1935 Form 189 O 35

Payment of Premiums.—All premiums hereunder are payable in advance, annually, or in regular equivalent semi-annual or quarterly instalments at the Company's published rates, at the Home Office of the Company, or to a duly authorized agent presenting the official receipt signed by the President or Secretary, and countersigned by the agent designated on such receipt. Except as herein expressly provided, the payment of any premium or instalment thereof shall not maintain this policy in force beyond the date when the succeeding premium or instalment becomes payable.

Grace Period.—A grace of thirty-one days without interest, during which time the policy shall remain in force, will be granted for the payment of premiums or regular instalments thereof, after the first. If the death of the Insured occur during the days of grace, the sum necessary to complete payment of premium for the then current policy year will be deducted from the amount payable hereunder.

Change of Beneficiary.—If the right has been reserved, the Insured, unless there be an existing assignment of this policy, may change the beneficiary from time to time by written request upon the blanks of the Company filed at its Home Office, but such change shall take effect only upon endorsement hereon.

Annual Surplus Distribution.—The proportion of divisible surplus accruing upon this policy shall be ascertained annually. Beginning at the end of the second insurance year, and on each anniversary thereafter, such surplus as shall have been apportioned by the Company to this policy, shall be available under any one of the following options:

Distribution Options.—Such surplus distributions may be—(*a*) taken in cash, (*b*) applied in abatement of premium payments, (*c*) left on deposit with the Company to accumulate with interest at the rate of not less than three per cent per annum, payable with the policy or withdrawable in cash on demand, or (*d*) applied to purchase non-forfeitable participating paid-up additions. In the absence of election in writing of one of the above options on any anniversary of the policy, the distribution for that anniversary shall be held on deposit, as provided in option (*c*), and if any premium remains unpaid at the expiration of the grace period the Company will apply the deposit to the payment of the premium in default, if said deposit be sufficient for that purpose, otherwise to the payment of such smaller regular instalment as the deposit may be sufficient to pay in full, and any such application of such deposit shall be a discharge to the Company for the amount so applied. Surplus apportioned to this policy while it is running as extended insurance shall not be available to maintain the policy in force beyond the extension term.

Application of Surplus Distributions to Shorten Term of Premium Payments or Mature Policy.—Whenever the surplus accumulations under this policy, or the reserve under any outstanding additions hereunder, or both, together with the policy reserve, shall equal the reserve on the same basis for a fully paid-up policy of the same kind and amount, the Company will, upon written request and upon due release, endorse the policy, subject to any indebtedness, as paid up in full with participation; or when the sum of said reserves and accumulations is equal to the face amount of this policy, the Company on request and due surrender will pay such amount, less any indebtedness hereunder, as an endowment.

Loans.—At any time while the policy is in force, after two full years' premiums have been paid (unless the policy is running as extended insurance) the Company will loan, upon the sole security of this policy and upon an assignment thereof satisfactory to the Company, a sum not exceeding the cash surrender value of the policy and outstanding additions, at the end of the then current policy year, less any outstanding indebtedness and interest on the total amount loaned to the next policy anniversary, and less any unpaid balance of premium for the then current policy year. Interest on the loan will be at the rate of six per cent per annum, payable annually on each anniversary of the policy. If the policy is payable to a revocable beneficiary, loans will be made upon the sole signature of the Insured. At its option, the Company may defer the granting of any loan, other than to pay premiums on policies in this Company, for not exceeding ninety days after the application therefor is made. Any interest in default will be added to the principal of the loan.

Automatic Loans to Pay Premiums.—On due written request upon the Company's prescribed form, subject to revocation at any time, provision may be made for automatic application of the loan provision to the payment of future premiums.

Repayment of Loans.—The whole or any part of a loan may be repaid at any time. Failure to repay the loan or to pay interest thereon, shall not avoid the policy while the indebtedness is less than the cash surrender value, nor until thirty-one days after notice has been mailed to the last known address of the Insured and any assignee.

Assignments.—No assignment hereof shall be binding on the Company until filed at its Home Office. The Company assumes no responsibility as to the validity of any assignment.

Reinstatement.—At any time after default in payment of premium (unless the cash surrender value has been paid, or the extension term expired, if the policy has been so carried), this policy may be reinstated, upon production of evidence of insurability satisfactory to the Company and approved at its Home Office, and upon payment or reinstatement of any indebtedness to the Company hereon and payment of arrears of premiums, with interest at the rate of six per cent per annum.

Conversion Privilege.—This policy, if there is no default in premium payment, may (unless the Insured is disabled within the meaning of, or has made claim under any total and permanent disability benefit provision hereunder) be exchanged without medical examination, upon due release, for a policy of not greater amount upon any plan having a higher premium rate, not involving any other life, which the Company issues at the date hereof. The new policy shall bear the date of this policy, and shall include such provisions for disability benefit and additional benefit for accidental death as may be in effect under this policy at the time of exchange. Premiums shall be at the rate applicable at the date of this policy for the form chosen, and the cost to change shall be the difference in premiums for equal amounts of insurance, with compound interest at the rate of six per cent per annum from the due date of each premium to the date of exchange, with proper adjustment of difference between the amount of surplus distribution under the two forms of policies.

NON-FORFEITURE PROVISIONS

After two full annual premiums have been paid on this policy, any one of the following non-forfeiture options may be elected by writing filed with the Company at its Home Office within thirty-one days after default in the payment of a subsequent premium; but the Company may defer the payment of any cash value for not exceeding ninety days from the date of the application therefor.

A. **CASH SURRENDER VALUE.**—The policy may be surrendered and, with the written assent of the person to whom it is made payable, its value at the nearest dollar per thousand dollars of insurance paid in cash.

B. **PAID-UP INSURANCE.**—The policy may be continued for its value in participating paid-up insurance, having an increasing cash surrender value and payable at the same time and on the same conditions as this policy. Such paid-up insurance shall be automatically binding upon the Company, without any further stipulation or act, unless cash surrender value or extended insurance is elected.

C. **EXTENDED INSURANCE.**—The policy may be continued from the date of the premium last due, for its face amount, increased by any additions and decreased by any indebtedness to the Company hereon, for its value in participating extended term insurance. Such insurance shall have a surrender value expiring with the extension term. Upon written request while no premium is in default under this policy, this provision may be made automatic.

The cash surrender value will be the reserve on the policy at the date of default in payment of premium, less a decreasing surrender charge having a maximum at the end of the second policy year of not more than two per cent of the face amount of the policy, and for the tenth and subsequent policy years the surrender value will be the policy reserve. Such surrender value will be increased by the reserve on any outstanding additions to the policy and decreased by any indebtedness to the Company hereon.

The paid-up and extended insurances are computed upon the basis of the cash surrender value applied as a net single premium at the attained age of the Insured upon the mortality and interest basis adopted for the reserve computation hereunder. Such insurances shall carry no disability benefits or additional benefit for accidental death.

The legal reserve under this policy is computed by the net level premium method upon the American Experience Table of Mortality, with interest at three per cent per annum.

Values not stated in the table herein will be furnished on request.

Table of Non-Forfeiture and Loan Values

The values as herein stated are for full-paid policy years, for each $1,000 of face amount of Insurance, and will be increased by outstanding additions and by payment of instalments of premiums beyond the full-paid policy year, but will be decreased by any indebtedness hereon. The term for which the policy will be continued as extended insurance will be the same for any amount of insurance.

After payment of premiums for	Loan or Cash Surrender Value at End of Policy Year	Participating Paid-up Life Insurance	Participating Extended Insurance	
			Years	Days
2 yrs.	25	57	2	295
3 "	53	120	6	35
4 "	80	178	9	59
5 "	103	234	11	342
6 "	135	289	14	148
7 "	164	344	16	194
8 "	194	399	18	127
9 "	224	453	19	326
10 "	256	507	21	81
11 "	286	557	22	93
12 "	318	606	23	64
13 "	350	655	24	8
14 "	384	704	24	307
15 "	418	753	25	249
16 "	454	802	26	220
17 "	491	852	27	247
18 "	529	901	29	9
19 "	569	950	31	25
20 "	610	Full Paid	-	-
25 "	667			
30 "	723			

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OPTIONAL METHODS OF SETTLEMENT

The Insured, subject to the rights of any assignee or of any beneficiary whose interest is irrevocable, may elect by written notice to the Company at its Home Office, to have the net sum due under this policy if not less than $1,000 paid in accordance with the terms of any one of the following options; or, in the absence of election by the Insured, the beneficiary may elect similar options when the proceeds of the policy become payable to such beneficiary.

Option 1—Proceeds left on Deposit. The net sum payable may be left on deposit with the Company, and the Company will pay interest thereon at not less than three per cent per annum. Payment of the sum left on deposit will be made under such conditions as may be agreed upon when the option is elected.

Option 2—Limited Income. Equal payments for a stipulated number of years as set forth in the following table:

Equal Payments for each $1,000 of the net sum payable

Number of Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Annual Payment		$507.39	$343.23	$261.19	$211.90	$179.22	$155.83	$138.31	$124.69	$113.82	$104.93	$97.64	$91.29	$85.95	$81.33
Monthly Payment	$84.47	42.86	28.99	22.06	17.91	15.14	13.16	11.68	10.53	9.61	8.86	8.24	7.71	7.26	6.87
Number of Years	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Annual Payment	$77.29	$73.74	$70.59	$67.78	$65.26	$62.98	$60.92	$59.04	$57.33	$55.76	$54.31	$52.97	$51.74	$50.60	$49.53
Monthly Payment	6.53	6.23	5.90	5.73	5.51	5.32	5.15	4.99	4.84	4.71	4.59	4.47	4.37	4.27	4.18

Option 3—Life Income. Equal payments for a stipulated number of years and thereafter as long as the payee shall live, the amount of such payments to be based upon the age at nearest birthday of the payee at the date of maturity of the policy.

TABLE FOR MALE LIVES

Equal Payments for 20 years and thereafter as long as payee shall live, for each $1,000 of the net sum payable

Age	10 & under	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Annual Payment	$40.23	$40.44	$40.85	$40.88	$41.10	$41.33	$41.56	$41.80	$42.05	$42.31	$42.59	$42.87	$43.18	$43.46	$43.77	$44.10	$44.44	$44.79	$45.15	$45.52	$45.91	$40.31
Monthly Payment	3.41	3.43	3.45	3.47	3.49	3.50	3.52	3.55	3.57	3.59	3.81	3.84	3.80	3.69	3.71	3.74	3.77	3.80	3.83	3.88	3.90	3.03
Age	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
Annual Payment	$46.72	$47.15	$47.59	$48.04	$48.51	$48.99	$49.48	$49.99	$50.51	$51.04	$51.58	$52.14	$52.70	$53.27	$53.85	$54.44	$55.03	$55.62	$56.21	$50.80	$57.39	$57.97
Monthly Payment	3.97	4.00	4.04	4.08	4.12	4.16	4.20	4.25	4.29	4.34	4.38	4.43	4.48	4.53	4.58	4.83	4.68	4.73	4.78	4.83	4.87	4.92
Age	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75 & over
Annual Payment	$58.55	$59.11	$59.80	$60.19	$60.70	$61.19	$61.65	$62.09	$62.50	$62.88	$63.23	$63.54	$63.82	$64.08	$64.30	$64.48	$64.65	$64.78	$64.90	$64.99	$65.06	$65.11
Monthly Payment	4.97	5.02	5.06	5.11	5.15	5.19	5.23	5.26	5.30	5.33	5.30	5.38	5.40	5.42	5.44	5.45	5.47	5.48	5.49	5.49	5.50	5.50

TABLE FOR FEMALE LIVES

Equal Payments for 20 years and thereafter as long as payee shall live, for each $1,000 of the net sum payable

Age	10 & under	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Annual Payment	$39.52	$39.68	$39.85	$40.03	$40.23	$40.44	$40.65	$40.88	$41.10	$41.33	$41.56	$41.80	$42.05	$42.31	$42.59	$42.87	$43.10	$43.46	$43.77	$44.10	$44.44	$44.79
Monthly Payment	3.35	3.36	3.38	3.39	3.41	3.43	3.45	3.47	3.49	3.50	3.52	3.55	3.57	3.59	3.61	3.64	3.66	3.69	3.71	3.74	3.77	3.80
Age	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
Annual Payment	$45.15	$45.52	$45.91	$46.31	$46.72	$47.15	$47.59	$48.04	$48.51	$48.99	$49.48	$49.99	$50.51	$51.04	$51.58	$52.14	$52.70	$53.27	$53.85	$54.44	$55.03	$55.62
Monthly Payment	3.83	3.80	3.90	3.93	3.97	4.00	4.04	4.08	4.12	4.18	4.20	4.25	4.29	4.34	4.38	4.43	4.48	4.53	4.58	4.63	4.68	4.73
Age	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75 & over
Annual Payment	$56.21	$56.80	$57.39	$57.97	$58.55	$59.11	$59.65	$60.19	$60.70	$61.19	$61.65	$62.09	$62.50	$62.88	$63.23	$63.54	$63.82	$64.08	$64.30	$64.48	$64.65	$64.78
Monthly Payment	4.78	4.83	4.87	4.92	4.97	5.02	5.00	5.11	5.15	5.19	5.23	5.26	5.30	5.33	5.38	5.38	5.40	5.42	5.44	5.45	5.47	5.48

These optional methods of settlement shall not be applicable to a policy payable to a corporation, partnership, or association, or to an assignee.

The method of settlement elected by the Insured shall not be varied by the payee, but if such method of settlement has been chosen by the beneficiary, such beneficiary shall have the right to change or the right to commute any stipulated payments remaining unpaid under Option 2 or 3 upon the basis of interest at three per cent per annum.

The first payment under Option 2 or 3 will be made immediately. Any stipulated payments remaining unpaid under Option 2 or 3 at the death of the payee last entitled to receive such payments shall be commuted and paid in one sum to the executors or administrators of said payee last entitled to payments.

On funds left on deposit under Option 1, or funds held for payment of stipulated payments under Option 2 or 3, there shall be paid such share of interest earned in excess of three per cent per annum as the Company may from year to year determine.

Option 4—Settlement by Mutual Agreement. Provision may be made for payment of the net sum due under this policy in any other manner that may be mutually agreed upon in writing by the Insured and the Company.

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In case of any question under this policy, write the Company at Boston, Massachusetts, or any Agency of the Company.

It is not necessary to employ any firm or person to collect the proceeds under this policy.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Policy No. Specimen

ON LIFE OF

John Hancock

Amount $10,000 Age 35

Date of Issue April 1, 1935

LIFE POLICY MATURING AT DEATH

PREMIUMS PAYABLE DURING 20 YEARS

ANNUAL SURPLUS DISTRIBUTION

Annual Premium	$358.40	*Payable*
Disability Premium		
Accidental Death Benefit Premium		April 1
Family Income Premium		

The Assured is hereby notified that by virtue of this policy he is a member of the JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, and is entitled to vote, either in person or by proxy, at any and all meetings of said Company. The annual meetings are held at its Home Office on the second Monday of February in each year, at twelve o'clock noon.

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20 YEAR ENDOWMENT

202

No. Specimen

THE

John Hancock

MUTUAL

LIFE INSURANCE COMPANY

OF BOSTON, MASSACHUSETTS

AMOUNT $10,000

hereby insures the life of

John Hancock

and agrees to pay Ten Thousand Dollars, the sum insured, less any indebtedness to the Company hereon, upon the surrender of the policy while in full force at the end of Twenty years from the date hereof, at the Company's Home Office in Boston, subject to the conditions and provisions hereinafter recited, to the Insured if living.

In the event of the prior death of the Insured, the Company will pay the sum insured, less any indebtedness to the Company hereon and less any unpaid balance of premium for the uncompleted policy year, upon due proof on the Company's prescribed forms, of the death of the Insured while the policy is in full force, and upon its surrender at the Company's Home Office in Boston, subject to the conditions and provisions hereinafter recited, to

Dorothy D. Hancock, wife if living,

or to such other beneficiary as may be finally substituted under the conditions hereof, or if no such beneficiary be then living, then to the executors or administrators of the Insured.

This insurance is granted in consideration of the application herefor, a copy of which is attached hereto, and made a part of this contract, and of the payment of the annual premium of

Four Hundred Ninety five 30/100 Dollars

and of the payment of a like premium on or before the First day of April in each succeeding year until the premiums for Twenty full years have been paid or until the prior death of the Insured.

POLICY AND APPLICATION THE ENTIRE CONTRACT This policy and the application herefor constitute the entire contract between the parties, and all statements made by the Insured or on his behalf shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall be used in defense to a claim hereunder unless it is contained in a written application herefor, and a copy of such application attached to this policy when issued. No modification or alteration of this policy or endorsement hereon will be valid unless made by the President, a Vice President, the Secretary or an Assistant Secretary, and no other person is authorized to modify or waive any of the terms and conditions of this policy, nor to extend the time for payment of premiums or other moneys due the Company, or to bind the Company by making any promise or by accepting any representation or information not contained in the application for this policy.

INCONTESTABILITY If the Insured shall die within two years from the date of issue of this policy by his own hand or act, while sane or insane, the liability of the Company shall be limited to the premiums paid hereon. After this policy has been in force during the lifetime of the Insured for two years from its date of issue, it shall be incontestable except for non-payment of premium and except as to provisions and conditions relating to benefits in the event of total and permanent disability and those granting additional insurance specifically against death by accident but if the age of the Insured has been misstated, the amount payable hereunder shall be that which the premium paid would have purchased at the correct age.

The Conditions and Provisions hereinafter set forth are hereby made a part of this Contract.

In Witness Whereof, *the* JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY *has, by its President and Secretary, executed and delivered this contract and caused the same to be duly countersigned, at Boston, Massachusetts, on this* First *day of* April *A. D.* 1935, *which is the date of issue of this policy.*

Charles A Dinan
Secretary.

Walter D. Cocker
President.

Countersigned Specimen *Policy Registrar.*

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Payment of Premiums.—All premiums hereunder are payable in advance, annually, or in regular equivalent semi-annual or quarterly instalments at the Company's published rates, at the Home Office of the Company, or to a duly authorized agent presenting the official receipt signed by the President or Secretary, and countersigned by the agent designated on such receipt. Except as herein expressly provided, the payment of any premium or instalment thereof shall not maintain this policy in force beyond the date when the succeeding premium or instalment becomes payable.

Grace Period.—A grace of thirty-one days without interest, during which time the policy shall remain in force, will be granted for the payment of premiums or regular instalments thereof, after the first. If the death of the Insured occur during the days of grace, the sum necessary to complete payment of premium for the then current policy year will be deducted from the amount payable hereunder.

Change of Beneficiary.—If the right has been reserved, the Insured, unless there be an existing assignment of this policy, may change the beneficiary from time to time by written request upon the blanks of the Company filed at its Home Office, but such change shall take effect only upon endorsement hereon.

Annual Surplus Distribution.—The proportion of divisible surplus accruing upon this policy shall be ascertained annually. Beginning at the end of the second insurance year, and on each anniversary thereafter, such surplus as shall have been apportioned by the Company to this policy, shall be available under any one of the following options:

Distribution Options.—Such surplus distributions may be—(*a*) taken in cash, (*b*) applied in abatement of premium payments, (*c*) left on deposit with the Company to accumulate with interest at the rate of not less than three per cent per annum, payable with the policy or withdrawable in cash on demand, or (*d*) applied to purchase non-forfeitable participating paid-up additions. In the absence of election in writing of one of the above options on any anniversary of the policy, the distribution for that anniversary shall be held on deposit, as provided in option (*c*), and if any premium remains unpaid at the expiration of the grace period the Company will apply the deposit to the payment of the premium in default, if said deposit be sufficient for that purpose, otherwise to the payment of such smaller regular instalment as the deposit may be sufficient to pay in full, and any such application of such deposit shall be a discharge to the Company for the amount so applied. Surplus apportioned to this policy while it is running as extended insurance shall not be available to maintain the policy in force beyond the extension term.

Application of Surplus Distributions to Shorten Term of Premium Payments or Mature Policy.—Whenever the surplus accumulations under this policy, or the reserve under any outstanding additions hereunder, or both, together with the policy reserve, shall equal the reserve on the same basis for a fully paid-up policy of the same kind and amount, the Company will, upon written request and upon due release, endorse the policy, subject to any indebtedness, as paid up in full with participation; or when the sum of said reserves and accumulations is equal to the face amount of this policy, the Company on request and due surrender will pay such amount, less any indebtedness hereunder, as an endowment.

Loans.—At any time while the policy is in force, after two full years' premiums have been paid (unless the policy is running as extended insurance) the Company will loan, upon the sole security of this policy and upon an assignment thereof satisfactory to the Company, a sum not exceeding the cash surrender value of the policy and outstanding additions, at the end of the then current policy year, less any outstanding indebtedness and interest on the total amount loaned to the next policy anniversary, and less any unpaid balance of premium for the then current policy year. Interest on the loan will be at the rate of six per cent per annum, payable annually on each anniversary of the policy. If the policy is payable to a revocable beneficiary, loans will be made upon the sole signature of the Insured. At its option, the Company may defer the granting of any loan, other than to pay premiums on policies in this Company, for not exceeding ninety days after the application therefor is made. Any interest in default will be added to the principal of the loan.

Automatic Loans to Pay Premiums.—On due written request upon the Company's prescribed form, subject to revocation at any time, provision may be made for automatic application of the loan provision to the payment of future premiums.

Repayment of Loans.—The whole or any part of a loan may be repaid at any time. Failure to repay the loan or to pay interest thereon, shall not avoid the policy while the indebtedness is less than the cash surrender value, nor until thirty-one days after notice has been mailed to the last known address of the Insured and any assignee.

Assignments.—No assignment hereof shall be binding on the Company until filed at its Home Office. The Company assumes no responsibility as to the validity of any assignment.

Reinstatement.—At any time after default in payment of premium (unless the cash surrender value has been paid, or the extension term expired, if the policy has been so carried), this policy may be reinstated, upon production of evidence of insurability satisfactory to the Company and approved at its Home Office, and upon payment or reinstatement of any indebtedness to the Company hereon and payment of arrears of premiums, with interest at the rate of six per cent per annum.

Conversion Privilege.—This policy, if there is no default in premium payment, may (unless the Insured is disabled within the meaning of, or has made claim under any total and permanent disability benefit provision hereunder) be exchanged without medical examination, upon due release, for a policy of not greater amount upon any plan having a higher premium rate, not involving any other life, which the Company issues at the date hereof. The new policy shall bear the date of this policy, and shall include such provisions for disability benefit and additional benefit for accidental death as may be in effect under this policy at the time of exchange. Premiums shall be at the rate applicable at the date of this policy for the form chosen, and the cost to change shall be the difference in premiums for equal amounts of insurance, with compound interest at the rate of six per cent per annum from the due date of each premium to the date of exchange, with proper adjustment of difference between the amount of surplus distribution under the two forms of policies.

NON-FORFEITURE PROVISIONS

After two full annual premiums have been paid on this policy, any one of the following non-forfeiture options may be elected by writing filed with the Company at its Home Office within thirty-one days after default in the payment of a subsequent premium; but the Company may defer the payment of any cash value for not exceeding ninety days from the date of the application therefor.

A. CASH SURRENDER VALUE.—The policy may be surrendered and, with the written assent of the person to whom it is made payable, its value at the nearest dollar per thousand dollars of insurance paid in cash.

B. PAID-UP INSURANCE.—The policy may be continued for its value in participating paid-up endowment insurance, having an increasing cash surrender value and payable at the same time and on the same conditions as this policy. Such paid-up insurance shall be automatically binding upon the Company, without any further stipulation or act, unless cash surrender value or extended insurance is elected.

C. EXTENDED INSURANCE.—The policy may be continued from the date of the premium last due, for its face amount, increased by any additions and decreased by any indebtedness to the Company hereon, for its value in participating extended term insurance having a final value if so stated in the table, payable in cash at the end of the extension term if the Insured be then living. Such insurance shall have a surrender value expiring with the extension term, when the insurance will cease and the contract be terminated by payment in cash of the final value if there be any such value then due. Upon written request while no premium is in default under this policy, this provision may be made automatic.

The cash surrender value will be the reserve on the policy at the date of default in payment of premium, less a decreasing surrender charge having a maximum at the end of the second policy year of not more than two per cent of the face amount of the policy, and for the tenth and subsequent policy years the surrender value will be the policy reserve. Such surrender value will be increased by the reserve on any outstanding additions to the policy and decreased by any indebtedness to the Company hereon.

The paid-up and extended insurances are computed upon the basis of the cash surrender value applied as a net single premium at the attained age of the Insured upon the mortality and interest basis adopted for the reserve computation hereunder. Such insurances shall carry no disability benefits or additional benefit for accidental death.

The legal reserve under this policy is computed by the net level premium method upon the American Experience Table of Mortality, with interest at three per cent per annum.

Values not stated in the table herein will be furnished on request.

Table of Non-Forfeiture and Loan Values

The values as herein stated are for full-paid policy years, for each $1,000 of face amount of Insurance, and will be increased by outstanding additions and by payment of instalments of premiums beyond the full-paid policy year, but will be decreased by any indebtedness hereon. The term for which the policy will be continued as extended insurance will be the same for any amount of insurance.

After payment of premiums for	Loan or Cash Surrender Value at End of Policy Year	Participating Paid-up Endowment Insurance	Participating Extended Insurance		
			Years	Days	Final Value
2 yrs.	50	81	5	324	
3 "	93	146	10	327	
4 "	134	206	15	123	
5 "	176	264	15		$75
6 "	219	320	14		159
7 "	264	376	13		239
8 "	310	431	12		316
9 "	358	485	11		389
10 "	407	538	10		460
11 "	457	588	9		525
12 "	508	636	8		587
13 "	561	684	7		647
14 "	617	731	6		704
15 "	674	778	5		759
16 "	734	824	4		811
17 "	796	869	3		862
18 "	861	913	2		910
19 "	929	957	1		956
20 "	Matures				

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OPTIONAL METHODS OF SETTLEMENT

The Insured, subject to the rights of any assignee or of any beneficiary whose interest is irrevocable, may elect by written notice to the Company at its Home Office, to have the net sum due under this policy if not less than $1,000 paid in accordance with the terms of any one of the following options; or, in the absence of election by the Insured, the beneficiary may elect similar options when the proceeds of the policy become payable to such beneficiary.

Option 1—Proceeds left on Deposit. The net sum payable may be left on deposit with the Company, and the Company will pay interest thereon at not less than three per cent per annum. Payment of the sum left on deposit will be made under such conditions as may be agreed upon when the option is elected.

Option 2—Limited Income. Equal payments for a stipulated number of years as set forth in the following table:

Equal Payments for each $1,000 of the net sum payable

Number of Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Annual Payment		$507.39	$343.23	$261.10	$211.00	$179.22	$155.83	$138.31	$124.69	$113.82	$104.03	$97.54	$91.29	$85.95	$81.33
Monthly Payment	$84.47	42.86	28.99	22.06	17.91	15.14	13.16	11.68	10.53	9.61	8.86	8.24	7.71	7.26	6.87
Number of Years	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Annual Payment	$77.29	$73.74	$70.59	$67.78	$65.26	$62.08	$60.02	$59.04	$57.33	$55.76	$54.31	$52.97	$51.74	$50.60	$49.53
Monthly Payment	6.53	6.23	5.96	5.73	5.51	5.32	5.15	4.09	4.84	4.71	4.59	4.47	4.37	4.27	4 18

Option 3—Life Income. Equal payments for a stipulated number of years and thereafter as long as the payee shall live, the amount of such payments to be based upon the age at nearest birthday of the payee at the date of maturity of the policy.

TABLE FOR MALE LIVES

Equal Payments for 20 years and thereafter as long as payee shall live, for each $1,000 of the net sum payable

Age	10 & under	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Annual Payment	$40.23	$40.44	$40.65	$40.88	$41.10	$41.33	$41.56	$41.80	$42.05	$42.31	$42.59	$42.87	$43.16	$43.46	$43.77	$44.10	$44.44	$44.79	$45.15	$45.52	$45.91	$46.31
Monthly Payment	3.41	3.43	3.45	3.47	3.49	3.50	3.52	3.55	3.57	3.50	3.61	3.64	3.66	3.60	3.71	3.74	3.77	3.80	3.83	3.86	3.90	3.93
Age	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
Annual Payment	$46.72	$47.15	$47.59	$48.01	$48.51	$48.90	$49.48	$49.99	$50.51	$51.04	$51.58	$52.14	$52.70	$53.27	$53.85	$54.44	$55.03	$55.62	$56.21	$56.80	$57.39	$57.97
Monthly Payment	3.97	4.00	4.04	4.03	4.12	4.16	4.20	4.25	4.29	4.34	4.38	4.43	4.48	4.53	4.58	4.63	4 68	4.73	4.78	4.83	4.87	4.92
Age	54	55	58	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75 & over
Annual Payment	$58.55	$59.11	$59.66	$60.19	$60.70	$61.10	$61.65	$62.00	$62.50	$62.88	$63.23	$63.54	$63.82	$64.08	$64.30	$64.48	$64.65	$64.78	$64.90	$64.99	$65.06	$65.11
Monthly Payment	4.97	5.02	5.06	5.11	5.15	5.19	5.23	5.26	5.30	5.33	5.36	5.38	5.40	5.42	5.44	5.45	5.47	5.48	5.49	5.49	5.50	5.50

TABLE FOR FEMALE LIVES

Equal Payments for 20 years and thereafter as long as payee shall live, for each $1,000 of the net sum payable

Age	10 & under	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Annual Payment	$39.52	$39.68	$39.85	$40.03	$40.23	$40.44	$40.65	$40.88	$41.10	$41.33	$41.56	$41.80	$42.05	$42.31	$42.59	$42.87	$43.16	$43.46	$43.77	$44.10	$44.44	$44.79
Monthly Payment	3.35	3.30	3.38	3.30	3.41	3.43	3.45	3.47	3.49	3.50	3.52	3.55	3.57	3.60	3.61	3.64	3.66	3.69	3.71	3.74	3.77	3.80
Age	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
Annual Payment	$45.15	$45.52	$45.91	$46.31	$46.72	$17.15	$47.59	$48.04	$48.51	$48.90	$49.48	$49.99	$50.51	$51.04	$51.58	$52.14	$52.70	$53.27	$53.85	$54.44	$55.03	$55.62
Monthly Payment	3.83	3.86	3.90	3.93	3.97	4.00	4.04	4.08	4.12	4.16	4.20	4.25	4.29	4.34	4.33	4.43	4.48	4.53	4.58	4.63	4.68	4.73
Age	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75 & over
Annual Payment	$56.21	$56.80	$57.39	$57.97	$58.55	$59.11	$59.66	$60.19	$60.70	$61.19	$61.65	$62.09	$62.50	$62.88	$63.23	$63.54	$63.82	$64.08	$64.30	$64.48	$64.65	$64.73
Monthly Payment	4.78	4.83	4.87	4.92	4 97	5.02	5.06	5.11	5.15	5.19	5.23	5.26	5.30	5 33	5.36	5.38	5.40	5.42	5.44	5.45	5.47	5.48

These optional methods of settlement shall not be applicable to a policy payable to a corporation, partnership, or association, or to an assignee.

The method of settlement elected by the Insured shall not be varied by the payee, but if such method of settlement has been chosen by the beneficiary, such beneficiary shall have the right to change or the right to commute any stipulated payments remaining unpaid under Option 2 or 3 upon the basis of interest at three per cent per annum.

The first payment under Option 2 or 3 will be made immediately. Any stipulated payments remaining unpaid under Option 2 or 3 at the death of the payee last entitled to receive such payments shall be commuted and paid in one sum to the executors or administrators of said payee last entitled to payments.

On funds left on deposit under Option 1, or funds held for payment of stipulated payments under Option 2 or 3, there shall be paid such share of interest earned in excess of three per cent per annum as the Company may from year to year determine.

Option 4—Settlement by Mutual Agreement. Provision may be made for payment of the net sum due under this policy in any other manner that may be mutually agreed upon in writing by the Insured and the Company.

END. Ed. 4-1935 Form 190 O 35

In case of any question under this policy, write the Company at Boston, Massachusetts, or any Agency of the Company.

It is not necessary to employ any firm or person to collect the proceeds under this policy.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Policy No. Specimen

ON LIFE OF John Hancock

Amount $10,000 Age 35

Date of Issue April 1, 1935

ENDOWMENT POLICY MATURING IN 20 YEARS
OR UPON PRIOR DEATH

PREMIUMS PAYABLE DURING 20 YEARS

ANNUAL SURPLUS DISTRIBUTION

Annual Premium	$195.30	*Payable*
Disability Premium		
Accidental Death Benefit Premium		April 1
Family Income Premium		

The Assured is hereby notified that by virtue of this policy he is a member of the JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, and is entitled to vote, either in person or by proxy, at any and all meetings of said Company. The annual meetings are held at its Home Office on the second Monday of February in each year, at twelve o'clock noon.

END. Ed. 4-1935 Form 150 O 35

RETIREMENT ANNUITY

No. Specimen

THE

John Hancock

MUTUAL

LIFE INSURANCE COMPANY

OF BOSTON, MASSACHUSETTS

Age 35

hereby agrees to pay at its Home Office in Boston to the Annuitant

John Hancock

a monthly annuity of Thirty five and 77/100 Dollars,

commencing on the First day of January 1964, if the Annuitant is then living, and payable at monthly intervals thereafter during the lifetime of the Annuitant. If the Annuitant dies after such date and before receiving one hundred twenty monthly annuity payments (herein called the instalments certain), then upon due proof of death and surrender of this contract, the balance of said one hundred twenty monthly instalments certain remaining unpaid at the date of the Annuitant's death will be commuted at the rate of three and one-half per cent per annum and paid in one sum to the beneficiary Dorothy Q. Hancock, wife if living, or to such other beneficiary as may be finally substituted under the conditions hereof, or if no such beneficiary is then living, then to the executors or administrators of the Annuitant, subject however to the deduction of any indebtedness to the Company as hereinafter provided.

This annuity is granted in consideration of the application herefor, a copy of which is attached hereto, and made a part of this contract, and of the payment of the annual premium of One Hundred Dollars and of the payment of a like premium on or before the First day of January in each succeeding year until the date when the first annuity payment becomes due or until the prior death of the Annuitant.

DEATH BENEFIT If the Annuitant dies while this contract is in full force and before any annuity payment is due, then upon due proof of death and surrender of this contract, the Company agrees to pay to the beneficiary at its Home Office an amount equal to the cash surrender value hereunder at the end of the contract year current at the date of death, less any unpaid balance of premium for such year, but in no event less than the total premiums paid for this contract exclusive of any disability premiums, such amount however being subject to the deduction of any indebtedness to the Company hereon.

ENTIRE CONTRACT This annuity contract and the application herefor constitute the entire contract between the parties, and all statements made by the Annuitant or on his behalf shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall be used in defense to a claim hereunder unless it is contained in a written application herefor, and a copy of such application attached to this contract when issued. No modification or alteration of this contract or endorsement hereon will be valid unless made by the President, a Vice President, the Secretary or an Assistant Secretary, and no other person is authorized to modify or waive any of the terms and conditions of this contract, or to extend the time for payment of premiums or other moneys due the Company, or to bind the Company by making any promise or by accepting any representation or information not contained in the application for this contract.

INCONTESTABILITY This contract shall be incontestable after it has been in force during the lifetime of the Annuitant for two years from its date of issue, except for non-payment of premium and except as to provisions and conditions relating to benefits in the event of total and permanent disability; but in case the age has been misstated, the amount of annuity payment hereunder shall be that which the premium paid would have purchased at the correct age. Any overpayment or overpayments by the Company, with interest at the rate of six per cent per annum thereon, shall be charged against the payments to be made after adjustment.

The Conditions and Provisions hereinafter set forth are hereby made a part of this Contract.

SPECIMEN

In Witness Whereof, the John Hancock Mutual Life Insurance Company has, by its President and Secretary, executed and delivered this contract and caused the same to be duly countersigned, at Boston, Massachusetts, on this First day of January, A.D. 1934

Charles A. Dinman
Secretary.

Walter C. Coolidge
President.

Countersigned Specimen Registrar.

Ret. Ann. Form 1135 O 34 Ed. 1-1934

PAYMENT OF PREMIUMS All premiums hereunder are payable in advance, annually, or in regular equivalent semi-annual or quarterly instalments at the Company's published rates, at the Home Office of the Company, or to a duly authorized agent presenting the official receipt signed by the President or Secretary, and countersigned by the agent designated on such receipt. Except as herein expressly provided, the payment of any premium or instalment thereof shall not maintain this contract in force beyond the date when the succeeding premium or instalment becomes payable.

Grace Period.—A grace of thirty-one days without interest, during which time the contract shall remain in force, will be granted for the payment of premiums or regular instalments thereof, after the first. If the death of the Annuitant occur during the days of grace, the sum necessary to complete payment of premium for the then current contract year will be deducted from the amount payable hereunder.

ANNUAL SURPLUS DISTRIBUTION At the end of each contract year while this contract is in force, before the commencement of annuity payments hereunder, there shall be distributed hereon such share of the divisible surplus as may be apportioned hereto by the Company, but such distribution at the end of the first year shall be contingent upon payment of the second year's premium or instalment thereof.

Distribution Options.—Such surplus distributions may at the election of the holder be—(a) taken in cash, (b) applied in abatement of premium payments, or (c) left on deposit with the Company to accumulate with interest at the rate of not less than three and one-half per cent per annum, payable with the proceeds of this contract on its surrender or withdrawable in cash on demand by the holder. Any accumulated dividend deposits to the credit of this contract held by the Company at the date of commencement of annuity payments may be added to the cash surrender value as of that date, after deduction of any indebtedness to the Company hereon, to increase pro rata the amount of payments due under the terms of the annuity option selected. If no election is in effect on any anniversary, the distribution for that anniversary shall be held on deposit as provided in option (c).

LOANS At any time while the contract is in force, after one full year's premium has been paid and before the commencement of annuity payments, the Company will loan, upon proper assignment, and upon the sole security of this contract, a sum not exceeding the cash surrender value of the contract at the end of the then current contract year, less any outstanding indebtedness and interest on the total amount loaned to the next contract anniversary, and less any unpaid balance of premium for the then current contract year. Interest on the loan will be at the rate of six per cent per annum, payable annually on each anniversary of the contract. If the contract is payable to a revocable beneficiary, loans will be made upon the sole signature of the Annuitant. At its option, the Company may defer the granting of any loan, other than to pay premiums on contracts in this Company, for a period not exceeding ninety days after the application therefor is made. Any interest in default will be added to the principal of the loan.

Repayment of Loans.—The whole or any part of a loan may be repaid at any time before the commencement of annuity payments hereunder. Failure to repay the loan or to pay interest thereon, shall not avoid the contract while the indebtedness is less than the cash surrender value, nor until thirty-one days after notice has been mailed to the last known address of the Annuitant and any assignee.

Effect of Indebtedness.—The amount of any benefit payable upon the death of the Annuitant, or the amount of cash value payable upon the surrender of this contract or applied to the purchase of a paid-up annuity at the time of default in any premium payment, will be reduced by any outstanding indebtedness to the Company hereon before settlement is made, provided however, that any accumulated dividend deposits held hereunder at the date of settlement will first be applied toward the repayment of such indebtedness. Any indebtedness not paid in full on or before the date of commencement of annuity payments will be cancelled by deducting such indebtedness from the cash surrender value as of such date and the amount of each annuity payment herein provided will be reduced in the proportion that the indebtedness bears to the cash surrender value. If such deduction results in a net balance of less than one thousand dollars, the contract shall be surrendered and the net balance paid to the Annuitant in one sum.

ASSIGNMENTS No assignment hereof shall be binding on the Company until filed at its Home Office. The Company assumes no responsibility as to the validity of any assignment.

NON-FORFEITURE PROVISIONS After one full annual premium has been paid on this contract, and before the commencement of annuity payments, the holder hereof, within thirty-one days after default in the payment of a subsequent premium, may elect, by a writing filed with the Company at its Home Office. one of the two following options; but the Company may defer the payment of any cash surrender value for a period not exceeding ninety days from the date of the application therefor.

A. Cash Surrender Value.—The contract may be surrendered and the value paid in cash subject to the written assent of an assignee or irrevocable beneficiary. The cash surrender value will be reduced by any indebtedness to the Company hereon.

B. Paid-Up Annuity.—The contract may be continued as a paid-up annuity commencing at the same time and payable on the same conditions as the annuity shown on the first page hereof, but without disability benefits and reduced in amount to such sum as the cash surrender value of this contract at the time of default, accumulated with interest at the rate of three and one-half per cent per annum until the date of commencement of annuity payments, will purchase in accordance with the terms of Option 2 on the third page hereof. If the Annuitant dies after this non-forfeiture option becomes effective and before any annuity payment is due hereunder, the Company will pay to the beneficiary upon due proof of death and surrender of this contract, a death benefit equal to the cash surrender value at the time of default, accumulated with interest at the rate of three and one-half per cent per annum until the end of the contract year of death of the Annuitant. This provision shall be automatically binding upon the Company, without any further stipulation or act, unless the cash surrender value is selected.

RESERVE Before the commencement of annuity payments the reserve hereunder will be computed with interest at the rate of three and one-half per cent per annum. After the commencement of annuity payments the reserve will be computed upon the basis of interest at the rate of three and one-half per cent per annum for any instalments certain and upon the basis of the Combined Annuity Table of Mortality with interest at the rate of four per cent per annum for any payments involving life contingencies.

REINSTATEMENT At any time after default in payment of premium and before the commencement of annuity payments, unless the cash surrender value has been paid, this contract may be reinstated upon payment or reinstatement of any indebtedness to the Company hereon and upon payment of arrears of premiums with interest at the rate of six per cent per annum. For the reinstatement of any disability benefits granted hereunder, evidence of physical condition satisfactory to the Company will be required.

Table of Cash Surrender Values Applicable Only Before the Commencement of Annuity Payments

The values as herein stated are for full-paid contract years for each $100 of annual premium paid exclusive of disability premium, and will be increased by payment of instalments of premiums beyond the full-paid contract year, but will be decreased by any indebtedness hereon.

End of Contract Year	Cash Surrender Value	End of Contract Year	Cash Surrender Value
1	$65	31	$5,086
2	161	32	5,360
3	259	33	5,644
4	362	34	5,938
5	467	35	6,242
6	577	36	6,556
7	690	37	6,882
8	808	38	7,219
9	929	39	7,568
10	1,055	40	7,929
11	1,188	41	8,303
12	1,326	42	8,690
13	1,468	43	9,090
14	1,616	44	9,505
15	1,769	45	9,934
16	1,927	46	10,378
17	2,091	47	10,837
18	2,260	48	11,313
19	2,435	49	11,805
20	2,617	50	12,314
21	2,805	51	12,841
22	2,999	52	13,387
23	3,200	53	13,952
24	3,409	54	14,537
25	3,624	55	15,142
26	3,847	56	15,768
27	4,078	57	16,416
28	4,317	58	17,087
29	4,565	59	17,781
30	4,821	60	18,500

CHANGE OF BENEFICIARY If the right has been reserved, the Annuitant may change the beneficiary from time to time, subject to the rights of any assignee, by written request upon the blanks of the Company filed at its Home Office, but such change shall take effect only upon endorsement hereon.

ANNUITY OPTIONS In lieu of the monthly annuity specified on the first page hereof, before any annuity payment has been made and subject to the conditions hereinafter stated, the Annuitant may elect to have the net sum due hereunder on any contract anniversary subsequent to the date of election, if the sum then due is not less than $1,000 nor the age of the Annuitant less than forty-five nor more than seventy-five years, applied to purchase:

(1) **A Life Annuity** for an amount as specified under Option 1 payable during the lifetime of the Annuitant, or

(2) **A Life Annuity With Instalments For Ten Years Certain** for an amount as specified under Option 2 payable during the lifetime of the Annuitant, provided that if the Annuitant dies after the commencement of the annuity and before receiving payments for ten full years, then upon due proof of death and surrender of this contract, the instalments certain remaining unpaid at the date of the Annuitant's death will be commuted at the rate of three and one-half per cent per annum and paid in one sum to the beneficiary, or

(3) **A Cash Refund Annuity** for an amount as specified under Option 3 payable during the lifetime of the Annuitant, provided that if at the date of the Annuitant's death the net sum applied toward the purchase of such cash refund annuity exceeds the payments made under this option, then upon due proof of death and surrender of this contract, such excess will be paid in one sum to the beneficiary.

The first annuity payment under each of the annuity options will be payable on the anniversary date of this contract nearest to the birthday upon which the Annuitant will attain the age elected for the commencement of annuity payments, and thereafter payments to the Annuitant will be made at annual, semi-annual, quarterly or monthly intervals, as elected before any annuity payment has been made, terminating with the last payment preceding the date of death of the Annuitant.

The amount of annual or monthly payment purchased by each one thousand dollars of the net sum so applied, is shown in the table of annuity options. The corresponding semi-annual and quarterly amounts will be computed upon the same mortality and interest basis and will be furnished to the Annuitant upon request. Wherever the monthly payment would be less than $10, the Company reserves the right to pay the annuity at quarterly intervals.

If annuity payments are made as provided in Option 2, there will be paid annually upon the funds held for payment of the instalments certain, such share of interest earned in excess of three and one-half per cent per annum as the Company may from year to year determine.

The election of an annuity option shall be subject to the consent of an assignee or irrevocable beneficiary, and subject to such consent the option may be changed from time to time before the commencement of annuity payments. No election of annuity option shall be valid unless endorsed hereon.

TABLE FOR MALE LIVES

Table Showing the Amounts Payable under the Annuity Options for Each One Thousand Dollars ($1,000) of the Net Sum Applied at the Age Nearest Birthday at the Date of Commencement of Annuity Payments.

Age Nearest Birthday	OPTION 1 Life Annuity		OPTION 2 Life Annuity with Instalments for 10 Years Certain		OPTION 3 Cash Refund Annuity	
	Annual	Monthly	Annual	Monthly	Annual	Monthly
45	$60.09	$5.15	$58.87	$5.03	$55.26	$4.72
46	61.17	5.24	59.83	5.11	56.04	4.79
47	62.31	5.34	60.83	5.20	56.76	4.86
48	63.50	5.45	61.87	6.29	57.71	4.54
49	64.75	6.56	62.96	6.38	58.60	5.02
50	66.07	5.66	64.09	5.46	59.53	5.10
51	67.46	5.80	65.26	5.59	60.49	5.16
52	68.92	5.93	66.48	5.69	61.50	5.27
53	70.46	6.07	67.75	5.80	62.56	5.37
54	72.06	6.21	69.07	5.92	63.85	5.46
55	73.79	6.38	70.43	6.03	64.80	5.56
56	75.59	6.52	71.84	6.18	66.00	5.87
57	77.48	6.89	73.30	6.28	67.25	5.78
58	79.46	6.67	74.80	6.41	68.55	6.90
59	81.56	7.06	76.35	6.55	69.92	6.02
60	83.62	7.26	77.94	6.68	71.38	6.15
61	86.17	7.48	79.58	6.63	72.84	6.28
62	88.64	7.70	81.25	6.97	74.40	6.42
63	91.26	7.94	82.95	7.12	76.04	6.57
64	94.02	8.19	84.68	7.26	77.76	6.72
65	96.94	8.45	86.44	7.42	79.53	6.88
66	100.02	8.74	88.22	7.57	81.41	7.05
67	103.27	6.03	90.01	7.72	83.40	7.23
68	106.70	9.35	91.80	7.87	85.42	7.41
69	110.33	8.88	93.56	8.02	87.56	7.60
70	114.17	10.04	95.35	6.17	89.85	7.61
71	118.22	10.42	97.09	6.32	92.21	6.02
72	122.50	10.62	98.80	6.46	94.66	8.25
73	127.02	11.24	100.47	6.60	97.27	8.48
74	131.79	11.69	102.08	6.73	100.08	8.74
75	136.83	12.17	103.62	8.86	102.95	6.00

TABLE FOR FEMALE LIVES

Table Showing the Amounts Payable under the Annuity Options for Each One Thousand Dollars ($1,000) of the Net Sum Applied at the Age Nearest Birthday at the Date of Commencement of Annuity Payments.

Age Nearest Birthday	OPTION 1 Life Annuity		OPTION 2 Life Annuity with Instalments for 10 Years Certain		OPTION 3 Cash Refund Annuity	
	Annual	Monthly	Annual	Monthly	Annual	Monthly
45	$56.27	$4.61	$55.41	$4.13	$52.42	$4.48
46	57.16	4.69	56.22	4.80	53.09	4.53
47	58.09	4.97	57.06	4.87	53.76	4.59
48	59.07	5.06	57.95	4.95	54.50	4.66
49	60.09	5.15	58.87	5.03	55.26	4.72
50	61.17	5.24	59.83	5.11	56.04	4.79
51	62.31	5.34	60.83	5.20	56.86	4.86
52	63.50	5.45	61.87	5.29	57.71	4.94
53	64.75	6.56	62.96	5.38	58.60	5.02
54	66.07	6.68	64.09	5.48	59.53	5.10
55	67.46	6.80	66.28	5.59	60.49	5.18
56	68.62	6.93	66.48	5.69	61.50	5.27
57	70.46	6.07	67.75	5.80	62.56	5.37
58	72.06	6.21	69.07	5.92	63.65	5.46
59	73.79	6.36	70.43	6.03	64.80	5.56
60	75.59	6.52	71.84	6.16	66.00	5.67
61	77.46	6.69	73.30	6.28	67.25	5.78
62	79.46	6.87	74.80	6.41	68.55	6.90
63	81.59	7.06	76.35	6.55	69.92	6.02
64	83.62	7.26	77.94	6.68	71.36	6.15
65	86.17	7.46	79.58	6.83	72.84	6.28
66	88.64	7.70	81.25	6.97	74.40	6.42
67	91.26	7.94	82.95	7.13	76.04	6.57
68	94.02	8.19	84.68	7.26	77.76	8.72
69	96.94	8.45	86.44	7.42	79.53	6.88
70	100.02	8.74	88.22	7.57	81.41	7.05
71	103.27	6.03	90.01	7.72	83.40	7.23
72	106.70	6.35	91.80	7.87	85.42	7.41
73	110.33	9.58	93.58	8.02	87.56	7.60
74	114.17	10.04	95.35	6.17	89.85	7.81
75	116.22	10.42	97.09	6.32	92.21	6.02

EVIDENCE THAT ANNUITANT IS LIVING When a payment under this contract depends upon the continuance of life of any person, the Company, before making payment, will require evidence that such person is alive.

SETTLEMENT BY MUTUAL AGREEMENT The Annuitant, or the beneficiary in the absence of election by the Annuitant during his lifetime, may elect to have the net sum due under this contract, if not less than $1,000, paid in any manner that may be mutually agreed upon by the person making the election and the Company, and provided by rider or endorsement hereon.

Ret. Ann. Form 1135 O 34 Ed. 1-1934

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

RETIREMENT ANNUITY

INCREASING DEATH BENEFIT

PREMIUMS PAYABLE DURING 30 YEARS

ANNUAL DISTRIBUTION PERIOD

In case of any question under this Contract, write the Company at Boston, Massachusetts, or any Agency of the Company.

It is not necessary to employ any firm or person to collect the proceeds under this Contract.

Number Specimen

Annuitant

John Hancock

Annuity Payments

$35.77

Payable Monthly

Commencing Jan 1, 1964

Date of Contract

Jan 1, 1934

Annual Premium $100.00

Disability Premium _____

Age 35

ANNUITY

NUMBER 002A AGE 65

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

In Consideration of the Representations in the Application herefor, a copy of which is attached hereto and made a part hereof, and of the payment of a Single Premium of Five Thousand Dollars, the

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

hereby promises to pay, at its Home Office in Boston, to John Hancock

an Annuity during the continuance of the life of the said John Hancock

(hereinafter called the Annuitant), said Annuity to be paid in equal Quarterly payments of Ninety seven and 50/100 Dollars each, commencing on the First day of April, 1934, and terminating at the death of the Annuitant, except that the Company on proof of the Annuitant's decease and the surrender of this Annuity Contract, will pay to Dorothy L. Hancock, wife, if living, otherwise to his executors, administrators and assigns the excess, if any, of the premium paid herefor over the total sum of the Annuity payments.

This Contract does not participate in the surplus of the Company.

The Provisions hereinafter set forth are hereby made a part of this Contract.

In Witness Whereof the John Hancock Mutual Life Insurance Company has, by its President and Secretary, executed and delivered this Contract and caused the same to be duly countersigned, at Boston, Massachusetts,

on this First day of January, A. D. 1934

Charles J. Dimon
Secretary.

Walter L. Crocker
President.

Countersigned,

Specimen
Policy Registrar.

Form 1127-O-26

SPECIMEN

Payment of Premiums. The premium hereunder is payable in advance at the Home Office of the Company or to a duly authorized agent presenting the official receipt signed by the President or Secretary and countersigned by the agent designated on such receipt.

Evidence that Annuitant Is Living. The Company will require evidence that the Annuitant is alive before making Annuity payments hereunder. In case of the death of the Annuitant, due proof of death will be required before payment of any excess premium refund provided hereunder.

Incontestability. This contract shall be incontestable after one year from its date of issue: but in case the age has been misstated, the amount of annuity payable hereunder shall be that which the premium paid would have purchased at the correct age. Any overpayment or overpayments by the Company, with interest at the rate of six per centum per annum thereon, shall be charged against the payments to be made after adjustment.

No suit shall be maintained under this Contract unless commenced within six years from the time when the cause of action accrues.

Assignments. No assignment hereof shall be binding on the Company until filed at its Home Office. The Company assumes no responsibility as to the validity of any assignment.

Entire Contract. This Annuity Contract and the application herefor constitute the entire contract between the parties.

Modifications. No agent or other person except the President, a Vice-President, the Secretary or an Assistant Secretary, has power to change or modify this contract.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

SINGLE PREMIUM LIFE ANNUITY

AGGREGATE SUM PAYABLE IN NO CASE TO BE LESS THAN AMOUNT OF SINGLE PREMIUM.

Nonparticipating

Number 002A

Annuitant

John Hancock

Annuity Payments

$97.50

Payable Quarterly

Commencing April 1, 1934

Date of Contract

January 1, 1934

Single Premium $5000

Age 65

ANNUITY

NUMBER 003A AGE 65/65

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

In Consideration of the Representations in the Application herefor, a copy of which is attached hereto and made a part hereof, and of the payment of a Single Premium of Thirteen Thousand Three Hundred Eighty-eight 16/100 Dollars, the

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

hereby promises to pay, at its Home Office in Boston,

an Annuity, to John Hancock, of Boston, Massachusetts,

and Dorothy Q. Hancock, of Boston, Massachusetts,

and _____, of _____,

and _____, of _____ (hereinafter called the Annuitants), during the lifetime of said Annuitants or the last Survivor of them, said Annuity to be paid to the Annuitants jointly or wholly to the survivor in equal Monthly payments of Eighty Dollars each, commencing on the First day of February, 1934, and terminating at the death of the last Survivor of the Annuitants.

This Contract does not participate in the Surplus of the Company.

The Provisions hereinafter set forth are hereby made a part of this Contract.

In Witness Whereof, the John Hancock Mutual Life Insurance Company has, by its President and Secretary, executed and delivered this Contract and caused the same to be duly countersigned, at Boston, Massachusetts,

on this First day of January, A.D. 1934

Charles J. Dinan
Secretary.

Walter C. Coolidge
President.

Countersigned, Specimen
Registrar.

SPECIMEN

Form 1128-O-26

Payment of Premium. The premium hereunder is payable in advance, at the Home Office of the Company, or to a duly authorized agent presenting the official receipt signed by the President or Secretary and countersigned by the agent designated on such receipt.

Evidence That Annuitants or the Last Survivor of Them Is Living. The Company will require evidence that the Annuitants or the last Survivor of them is alive before making Annuity payments hereunder. In case of the death of any of the Annuitants, due proof of such death will be required before the Annuity payments may be made wholly to the remaining Annuitants or to the last survivor.

Incontestability. This Contract shall be incontestable after one year from its date of issue: but in case the age has been misstated, the amount of annuity payable hereunder shall be that which the premium paid would have purchased at the correct age. Any overpayment or overpayments by the Company, with interest at the rate of six per centum per annum thereon, shall be charged against the payments to be made after adjustment.

No suit shall be maintained under this Contract unless commenced within six years from the time when the cause of action accrues.

Assignments. No assignment hereof shall be binding on the Company until filed at its Home Office. The Company assumes no responsibility as to the validity of any assignment.

Entire Contract. This Annuity Contract and the application herefor constitute the entire contract between the parties.

Modifications. No agent or other person, except the President, a Vice-President, the Secretary, or an Assistant Secretary, has power to change or modify this Contract.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Single Premium Joint and Survivorship Annuity

Nonparticipating

Number 003A

Annuitants

John Hancock

Dorothy Q. Hancock

Annuity Payments

$80.00

Payable Monthly

Commencing Feb 1, 1934

Date of Contract

January 1, 1934

Single Premium $13,388.16

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A volume about teachers, by teachers, for teachers. Deals with the teachers' attitudes toward school matters. The traits of teachers - personal, social, moral, industrial, domestic, physical, and professional are discussed, also the teachers' knowledge, relationships and self-traits.

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Good to serve as a basis of comparison with newer interest.

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Helpful work on the problem method of teaching and on the socialization of instruction.

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Phases of attention, interest, memory, habits, thought stimulation, play, and moral and social conduct are discussed. Also types of class-room exercises are discussed and measurements

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Good reference. Not technical.

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A start in the right direction, but follows the Herbartian five formal steps.

Morrison, Henry C., The Practice of Teaching in the Secondary Schools, Chicago: University of Chicago Press. 1915. 661 pp.
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Stormzand, Martin J., Progressive Methods of Teaching, Boston: Houghton, Mifflin Company, 1927. 375 pp.
Gives good objectives of appreciation and some data on the appreciation lesson.

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Some appreciation background.

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